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AN INVESTIGATION OF SOME PROBLEMS INVOLVED  
IN ORGANIZING TRADE UNIONS IN THE  
SOUTHERN STATES

MARY LAKE DRIVER

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AN INVESTIGATION OF SOME PROBLEMS INVOLVED IN  
ORGANIZING TRADE UNIONS IN THE SOUTHERN STATES

by

Mary Lake Driver  
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Lieutenant, United States Navy

Submitted in partial fulfillment of  
the requirements for the degree of

MASTER OF SCIENCE  
IN  
BUSINESS ADMINISTRATION

• United States Naval Postgraduate School  
Monterey, California

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AN INVESTIGATION OF SOME PROBLEMS INVOLVED IN  
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Mary Lake Driver

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The percentage of union members in all southern states is significantly below the national average. The economic development of the southern states since the Civil War is briefly reviewed with emphasis on the origin of the continuing southern labor surplus. The history of the labor movement in the South is briefly reviewed with emphasis on economic conditions that have facilitated or hampered union organization. An attempt is made to forecast some major future problems. It is the contention of this paper that the failure of labor unions to organize more southern workers is basically due to the persistent southern labor surplus, which was caused by a retarded and inadequate industrial development, which was in turn due to an almost complete dependence on capital from other than southern sources.



# TABLE OF CONTENTS

CHAPTER	TITLE	PAGE
I.	INTRODUCTION	1
II.	FACTORS OPPOSING UNIONS	9
	Retarded Industrialization	11
	Labor Surplus and Race Relations	15
	Gospel of Progress	19
	Popular Opinion	21
	Current Factors	23
III.	FACTORS FAVORING SOUTHERN UNIONS	31
	Southern Labor Union History	32
	Southern Textile Union History	40
	Areas of Union Success	47
	Areas of Union Failure	53
	Conclusions	57
IV.	FORECAST	60
	Population	60
	Agriculture	65
	Automation	67
	Capital Formation	69
	Conclusion	71
	BIBLIOGRAPHY	74



# LIST OF TABLES

TABLE		PAGE
I.	TRADE UNION MEMBERSHIP, SOUTHERN STATES	3
II.	TRADE UNION MEMBERSHIP BY REGION	4
III.	POPULATION GROWTH OF THE SOUTHERN STATES: 1790 TO 1860	13
IV.	PERSONAL INCOME BY STATES: 1929 TO 1961	28
V.	POPULATION, URBAN AND RURAL: 1950 AND 1960	29
VI.	POPULATION GROWTH OF THE SOUTHERN STATES: 1870 TO 1960	62
VII.	ESTIMATED NET INTERCENSAL MIGRATION	63
VIII.	PERCENTAGE DISTRIBUTION OF NEGROES BY REGION	64





## CHAPTER I

### INTRODUCTION

In a period of ebbing union membership, the South represents one of the greatest areas of opportunity for organized labor -- and is one of its greatest problems.

Since the Korean War the size of labor unions in the United States as a whole has decreased by over two and one-third million members while the proportion of union members in the non-agricultural labor force has shrunk from 32.6 percent to 25.5 percent.<sup>1</sup> Most of this decrease has been due to changing technology and automation. For example, 100,000,000 tires were produced in 1947 by 106,000 workers yet in 1959 only 75,000 workers were required to produce 120,000,000 tires.<sup>2</sup> Thus although existing unions have retained their relative strength within their industry, their total membership has decreased and will continue to dwindle due to automation.

Faced with this reduction in existing membership, unions have naturally sought to increase their strength in other areas. Nationally, the skilled trades, the workers in the great industrial centers, the large mass of workers in steel, heavy machinery, and other major industries.

<sup>1</sup>U. S. Bureau of the Census, Statistical Abstract of the United States: 1957. (Seventy-eighth edition) Washington, D. C., 1957. Table No. 277. U. S. Bureau of the Census, Statistical Abstract of the United States: 1963. (Eighty-fourth edition) Washington, D. C., 1963. Table Nos. 297 and 326.

<sup>2</sup>Twenty-five Years of the URW, (Akron, Ohio: United Rubber, Cork Linoleum and Plastic Workers of America, AFL-CIO, 1960), P. 46.



are already almost completely covered by union contracts. They thus provide slight opportunity for a major increase in union members.

When labor union membership is examined geographically, however it is most obvious that the southern states present a distinct contrast to the national average.<sup>3</sup> For example, in 1960 North Carolina had a non-agricultural labor force of over one million workers. Yet of that labor force only 6.7 percent were union members.<sup>4</sup> As shown in Table I, the proportion of union members in all southern states has been and remains significantly below the national average. Furthermore, as shown in Table II, the three Census Bureau regions which include southern states are also significantly below not only the national average but also the average of all other Census Bureau regions. The southern states thus constitute a major potential source of new union members.

The South simultaneously represents a major problem for organized labor due to traditionally low southern wage scales. Although it is the southern standard of living rather than the cost of living that is.

<sup>3</sup>Definition of the term "southern states" is a problem. For the purpose of this paper, the term is limited to Virginia, North Carolina, South Carolina, Georgia, Florida, Tennessee, Alabama, Mississippi, Arkansas and Louisiana. Available statistics do not always define "southern states" or "South" yet unless otherwise mentioned only the ten states listed are included in these terms.

<sup>4</sup>U. S. Bureau of the Census, Statistical Abstract of the United States: 1963. (Eighty-fourth edition) Washington, D. C., 1963. Table Nos. 297 and 326.





TABLE I

TRADE UNION MEMBERSHIP, SOUTHERN STATES  
(In Thousands)

State	1939		1953		1960	
	Total Members	Percent of non-agricultural work force	Total Members	Percent of non-agricultural work force	Total Members	Percent of non-agricultural work force
Virginia	68	12.8	156	17.4	95	9.3
No. Carolina	26	4.2	84	8.3	80	6.7
So. Carolina	12	4.0	50	9.3	17	3.1
Georgia	36	7.0	136	15.0	115	10.9
Florida	44	11.3	136	16.2	150	11.3
Tennessee	71	15.3	137	22.6	140	15.0
Alabama	64	16.1	168	24.9	185	23.8
Mississippi	13	6.5	50	14.7	45	11.1
Arkansas	25	12.7	68	21.5	72	19.6
Louisiana	38	9.6	136	19.5	130	16.4
<u>Total</u>	397		1,171		1,029	
<u>Total U.S.</u>	6,518	21.5	16,217	32.6	13,878	25.5

SOURCES: U.S. Bureau of the Census, Statistical Abstract of the United States: 1957. (Seventy-eighth edition) Washington, D.C., 1957. Table Number 277.

U.S. Bureau of the Census, Statistical Abstract of the United States: 1963. (Eighty-fourth edition) Washington, D.C., 1963. Table Numbers 297 and 326.



TABLE II

## TRADE UNION MEMBERSHIP BY REGION

	As Percentage of Nonagricultural work force		
	<u>1939</u>	<u>1953</u>	<u>1960</u>
<u>United States</u> (national average)	21.5	32.6	25.5
<u>New England</u> (Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut)	12.8	27.7	26.3*
<u>Middle Atlantic</u> (New York, New Jersey, Pennsylvania)	23.5*	36.4*	33.6*
<u>East-North Central</u> (Ohio, Indiana, Illinois, Michigan, Wisconsin)	24.2*	39.9*	31.4*
<u>West-North Central</u> (Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas)	19.1	31.5	24.7
<u>South Atlantic</u> (Delaware, Maryland, District of Columbia, Virginia, West Virginia, North Carolina, South Carolina, Georgia, Florida)	13.2	18.3	12.1
<u>East-South Central</u> (Kentucky, Alabama, Tennessee, Mississippi)	16.2	22.8	18.2
<u>West-South Central</u> (Arkansas, Louisiana, Texas, Oklahoma)	10.4	17.5	9.6
<u>Mountain</u> (Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada)	19.9	27.5	18.8
<u>Pacific</u> (Washington, Oregon, California)	27.1*	39.0*	29.9*

\*Regions exceeding national average.

SOURCES: U. S. Bureau of the Census, Statistical Abstract of the United States: 1957. (Seventy-eighth edition) Washington, D. C., 1957. Table No 277.

U. S. Bureau of the Census, Statistical Abstract of the United States: 1963. (Eighty-fourth edition) Washington, D. C., 1963. Table Nos 297 and 326.





low,<sup>5</sup> southern wages are significantly below national averages. For example in 1960 Bureau of Labor Statistics surveys showed that a southern manufacturing worker in a non-metropolitan area averaged \$1.49 per hour while his counterpart in the North Central region averaged \$1.94, that production workers in New York City dress factories averaged \$2.48 per hour but only \$1.39 per hour in Dallas, and that southern candy packers were paid \$1.09 per hour while the same skill on the Pacific Coast brought \$1.70 per hour.<sup>6</sup>

When prices of a product are fixed in the national market, a significant wage differential will operate to produce a supplemental profit for some plants and/or depress wages and working standards elsewhere. For example, in 1952 the differential between southern and northern wages was estimated to account for supplemental profits of

<sup>5</sup> Appliances, clothes, frozen foods, furniture, cars, etc., are priced and sold nationally. As a result of low southern wages such items cost the southern laborer more hours of work than are paid by his northern counterpart. Where labor is an essential element of the final cost and there is no national market price involved, such as houses and servants, the southern cost and standard of living are comparable to national standards -- and individuals living in southern states who earn national wages reap a supplemental bonus. But the southern worker can hold his own only in a relatively limited area of expenditures. Much of his less plentiful income is spent for things priced in the national market.

<sup>6</sup> It may or may not be coincidental but southern candy workers were completely non-union while western candy workers were completely covered by union contracts. Similarly over 90 percent of the New York workers were union members but less than 10 percent of the Dallas workers were organized. Herbert Schaffer, "Wages in Nonmetropolitan Areas, Southern and Northern Central Regions," Monthly Labor Review, (July, 1961), pp. 731-736, Fred W. Mohr, "Wages in Candy Manufacturing, November-December 1960," Monthly Labor Review, (July, 1961), pp. 737-742, George I. Stelluto, "Wages in the Dress Manufacturing Industry, August 1960," Monthly Labor Review, (July, 1961), pp. 743-748.



from four to five billion dollars a year for southern plants.<sup>7</sup> In the same year, the same wage differential also forced competing northern textile workers to accept wage cuts of as much as 25 percent while simultaneously increasing their workload by 150 percent.<sup>8</sup> Furthermore, a significant wage differential also attracts companies which, by moving to a southern state, decrease their payrolls, probably avoid future union contracts, and, incidentally, decrease the number of jobs available to union members in other regions. As a result, to the extent that southern labor remains unorganized, the standard of organized labor in other regions are endangered.

Lured by the prospect of a major increase in union strength and driven by the need to reduce competition from non-union southern plants, labor unions have collectively and individually endeavored to organize southern labor. In 1946 both the C. I. O. and the A. F. of L. began

<sup>7</sup>"Labor and the Southern Negro," The Nation, (September 27, 1952), p. 261. Supplemental profits due to the southern wage differential are far from being a recent development. For example, in 1880 the average wage for a twelve hour day in a southern cotton mill was 64 cents but mill profits ranged from 18 to 25-1/2 percent per year under the most unfavorable circumstances and profits from 30 to 75 percent were not unheard of. C. Vann Woodward, Origins of the New South, 1877-1913 (Louisiana State University Press: 1951), pp 133-134.

<sup>8</sup>"Setbacks for Unions," U. S. News and World Report. February 22, 1952), pp. 60-63. The depressing effect of low southern wages on workers in other parts of the country continues to be a major problem for labor unions. For example, the present strike at the Kingsport, Tenn., Press is due, at least in part, to an effort to obtain national rather than local wage scales. The southern wage differential has enabled the Kingsport Press to obtain contracts for work previously printed by New York or Boston companies. The international union therefore either has to try to raise Kingsport wages or prepare to accept reductions in New York and Boston wages. Michael G. Gartner, "The Kingsport Strike," The Wall Street Journal, April 22, 1964, p. 14.





major drive to organize southern workers. Six years later, after an expenditure of more than eleven million dollars,<sup>9</sup> the C. I. O. had increased its southern membership by about 100,000 and the A. F. of L. had achieved a net gain of about 200,000 members.<sup>10</sup>

Despite continuing efforts to organize southern labor, there has been a subsequent decrease in the number of unionized southern plants,<sup>11</sup> in the proportion of the labor force that has been organized, and a loss of over 100,000 in total union membership.<sup>12</sup> The South thus remains both a major opportunity and

<sup>9</sup>"Setbacks for Unions," U. S. News and World Report, (February 22, 1952, pp. 60-63. "Operation Dixie" was not the first coordinated union effort to organize southern workers. Furthermore, union organizing efforts were established on a continuing basis after the coordinated drive, as such, had ended.

<sup>10</sup>In 1946 the A. F. of L. claimed 1,800,000 southern members and the C. I. O. claimed 400,000. In 1952 the A. F. of L. was thought to have "around 2,000,000" even though "both organizations have have probably doubled their southern membership since 1946." "Labor Drives South," Fortune, (November, 1946), pp. 134-1340. George S. Mitchell, "How Far has Labor Advanced?," The Nation, (September 27, 1952), pp. 262-263.

<sup>11</sup>In 1952 and 1962 studies were made on unionism in southern plants using a random sampling of plants listed in state directories. In 1952 43 percent of the plants studied were unionized but in 1962 only 31 percent of the plants were covered by union contract. H. Ellsworth Steele and Homer Fisher, Jr., "A Study of the Effects of Unionism in Southern Plants," Monthly Labor Review, (March, 1964), pp. 258-270.

<sup>12</sup>In view of this dubious organizational record, one of the most effective means of raising southern wages has been through minimum wage laws. Such laws have always been roughly equivalent to or slightly below nationally accepted wages yet they have always had a major effect on southern industries. Similarly, wage controls during both World War II and Korea froze northern wages and raised southern wages. "Equal Pay for Southerners?," Fortune, (January, 1957), pp. 183-186, Gordon F. Bloom and Herbert E. Northrup, Economics of Labor Relations, (fourth edition; Homewood, Illinois: Richard D. Irwin, Inc., 1961). p. 264.



a major problem for organized labor.

The purpose of this paper, therefore, is to examine the cause and origin of those factors opposing southern labor unions, to review the development of the southern labor movement, to suggest some economic conditions that facilitate or hamper union organization, and to indicate some current developments which will in the future have a major impact upon labor unions in the southern states.





## CHAPTER II

### FACTORS OPPOSING UNIONS

The fact that there are relatively few union members in the southern states has been well publicized both by continuing union efforts to organize these workers and by Chambers of Commerce advertizing the merits of southern labor in order to secure new plants for their cities.<sup>1</sup> The causes of this situation are less obvious.

In the first place, there is not "one" South rolling in splendid uniformity and solidarity from the shores of the Atlantic past the Mississippi. There are still sharecroppers eeking out a subsistence living from an uncertain cotton crop next door to large cattle ranches. There are elderly cotton mills -- and automated paperboard plants. There are dusty farm towns -- and grimy metropolitan industrial centers. Yet despite this diversity in era as well as in technology and physical surrounding, there is in another sense "one" South. There is a complex of established relationships and habits of thought, value and prejudices, which is common in one appreciable measure or another, and some part or another, to substantially all southerners. There is

<sup>1</sup> Although most brochures now euphoniously discuss southern labor as being "98.8 percent native born, trained in a manner of living close to the soil and accustomed to honest work," one 1963 ad flatly reported that north Mississippi industrialists had selected the area because of "availability of labor" and "absence of labor unions." Carl F. Andre, "The Economy." Mississippi, Mississippi Agricultural and Industrial Board, (Jackson, Mississippi), p. 37. "Mississippi Legislates for Prosperity," Mississippi Industrial Development, (Atlanta: Conway Publications, 1963), p. 28 "Virginia's Labor Supply, A Major Asset in Attracting Industry," The Virginia Economic Review, (Richmond: Division of Planning and Economic Development of the Virginia Department of Conservation and Development, April, 1959), pp. 1-2.



a framework of attitudes and beliefs, founded on a common experience and tradition which affects and influences every group. Two world wars and Korea, as well as the effect of American mass communications media, have naturally greatly influenced the southern culture. C. Vann Woodward has suggested that the distinctiveness and persistence of that culture is rooted in the southern -- as opposed to American -- experience with defeat rather than success and victory, with poverty rather than plenty, with human fallibility rather than perfectability. The extent of the southern experience with evil, with tragedy, and with frustration is unique in American history and society.<sup>2</sup>

The factors that militate against union organization in the southern states are imbedded in this strong regional culture. It is the contention of this paper that the effect of the Civil War on the southern economy precluded the local capital accumulation required to develop southern resources adequately. The slow capital accumulation in turn retarded industrialization, thus producing a labor surplus. Because of the acute competition in the labor market, race relations were aggravated. In a desperate effort to provide sufficient jobs to reduce racial tensions, southern industrialization was given overwhelming priority and total civic support. Because of the civic virtues thus associated with industrialization, arrant individualism on the part of the owners was tolerated. But despite all efforts, a southern labor surplus still exists and is the proximate cause of the current

<sup>2</sup>C. Vann Woodward, The Burden of Southern History (New York: Vintage Books, 1961), pp. 3-25, 167-174.





lack of strong union organization among southern workers.

#### 1. Retarded Industrialization.

Prior to the Civil War capital accumulation in the southern states progressed slowly due both to the dependence on an inefficient labor system and to the investment required to establish plantations in a wilderness frontier area.

The inefficiency of the institution of slavery lies in the fact that the southern entrepreneur was required to purchase and maintain not only the tools of production but also his workers. A northern employer, in contrast needed only to "rent" such labor as he needed, and then only for such periods as he needed it. The economic advantages of the wage system are obvious, even when the comparative efficiency of the labor force is disregarded.<sup>3</sup>

While the Virginia tobacco plantations and the South Carolina indigo and rice plantations were established in the seventeenth and eighteenth centuries, they were located on the seaboard and the remainder of the South was as much a frontier as the inland portions of the northern states. The rapidity with which this southern frontier was developed is not generally appreciated. The driving force for this development was cotton -- and the cotton gin was not invented until 1793. Time was required to prove the cotton gin a success, to evict the Indians from the inland states, and to clear the wilderness.

<sup>3</sup> According to Olmsted, slaves required the most exasperatingly minute instructions were unreliable, and usually withheld their full labor. Olmsted estimated that Virginia slaves did half as much work as free workers. Frederick Law Olmsted, The Slave States (Before the Civil War) (New York: G. P. Putnam's Sons, 1959), pp 22-23.



Yet, with all of this, the population of Alabama, for example, was almost one million by 1860 even though it was not listed on the 1790 census. As shown in Table III, the population growth of the southern states, was tremendous -- as was the capital investment in tools and farm animals required to establish a viable agricultural economy to support these people. Some idea of the capital that had been accumulated and invested in the plantation system may be gained from the fact that in 1860 the slave population represented an asset of almost four billion dollars.<sup>4</sup> The profitability of the plantation system, and the massive amounts of capital required to establish it, precluded any substantial industrialization in the southern states.<sup>5</sup>

While the Civil War, like all wars, expended accumulated capital prodigally, the aftermath was equally difficult. Due to devastation and pillage by invading armies, one-half of the agricultural machinery

<sup>4</sup>In 1860 the slave population in 14 southern states was approximately 4,000,000. In the decade before the Civil War in Louisiana field hands were selling at from \$1500 to \$1635, women and girls from \$1250 to \$1550 and at one auction 497 slaves of various ages and physical conditions were sold at \$958.64 per head. William D. Halsey (ed.), Collier's Encyclopedia (The Crowell-Collier Publishing Company, 1963), Vol. 21, pp. 74-76.

<sup>5</sup>Arguing before the Civil War, DeBow maintained that the South should exert more effort on commerce, regaining control of the export-import business stemming from cotton, manufacturing textiles, and utilizing the "surplus" 700,000 slaves in railroad construction instead of just subsidizing the price of slaves. The construction of the Graniteville textile mill in 1846 and its continuous successful operation as well as the successful use of rented slaves in the Tredegar Iron Works beginning in 1842 would seem to substantiate DeBow's argument. James Dunwoody Brownson DeBow, "DeBow on the Southern Industrial Revolution," pp. 569-573, and Broadus Mitchell, "William Gregg: Factory Master of the Old South " pp. 574-582, in Willard Thorp, A Southern Reader, (New York: Alfred A. Knopf, 1955), The Southern Labor Story (Publication No. 25. Washington: Industrial Union Department, AFL-CIO), p. 9.





TABLE III

## POPULATION GROWTH OF THE SOUTHERN STATES: 1790 TO 1860

	(in thousands)							
	<u>1790</u>	<u>1800</u>	<u>1810</u>	<u>1820</u>	<u>1830</u>	<u>1840</u>	<u>1850</u>	<u>1860</u>
Virginia	691	807	877	938	1,044	1,025	1,119	1,219
North Carolina	393	478	555	638	737	753	869	992
South Carolina	249	345	415	502	581	594	668	703
Georgia	82	162	252	340	516	691	906	1,057
Florida	-----	-----	-----	-----	34	54	87	140
Tennessee	35	105	261	422	681	829	1,002	1,109
Alabama	-----	1	9	127	309	509	771	964
Mississippi	-----	7	31	75	136	375	606	791
Arkansas	-----	-----	1	14	30	97	209	435
Louisiana	-----	-----	76	153	215	352	517	708
Total South *	1,452	1,908	2,480	3,214	4,288	5,364	6,758	8,122
Total U. S.	3,929	5,308	7,239	9,638	12,866	17,069	23,191	31,443

\*May not add to Totals due to rounding.

SOURCE: U. S. Bureau of the Census, Historical Statistics of the United States, Colonial Times to 1957, Washington, D. C., 1960. Series A 17-20, p. 8, Series A. 123-180, pp. 12-13.



and one-third of the farm horses and mules were lost -- a massive blow to a primarily agricultural economy. Ready capital in the form of currency or Confederate bonds became worthless. Negro emancipation expropriated a tremendous capital investment. Taxes rose sharply as carpetbagger governments voted bonds for extravagantly unnecessary public works.<sup>6</sup> The price of land dropped rapidly -- and the price of credit soared. Grinding poverty was normal.<sup>7</sup>

In order to utilize every possible bit of available credit, the supply merchant system developed. Men with a few hundred or a few thousand dollars undertook to supply their neighbors with fertilizer and food in exchange for a mortgage on their crop. With the markup on supplies and interest on the loan, overall credit charges were often from 40 percent to 80 percent. Without this credit survival would have been impossible. With it, some survived and for the remainder the inevitable was postponed. The plantations came back into operation and by 1890 the cotton crop was twice the size of the pre-war crop. Capital again accumulated -- albeit slowly and at the

<sup>6</sup>At the beginning of the carpetbag period the Louisiana State debt was \$11,000,000. Six years later it was between \$41,000,000 and \$48,000,000. Yet not all of the public works were misguided for the Mississippi River levees constructed during the period opened the Mississippi Delta region to agriculture for the first time. Holland Thompson, The New South (New Haven: Yale University Press, 1920), p. 229, and Robert L. Brandfon "The End of Immigration to the Cotton Fields." The Mississippi Valley Historical Review, (March, 1964), pp. 591-611.

<sup>7</sup>"There were few people in the South in these years who did not sometimes know actual want, fewer still to whom the mere making of a living was not a pressing problem, none who could afford luxury. Practically everybody ate poor food, wore poor clothes, and went without money from year's end to year's end." W. J. Cash, The Mind of the South, (Garden City, N. Y.: Doubleday Anchor Books, 1954), p. 24.





expense of even more bitter poverty and tragedy for the majority.<sup>8</sup>

The effects of the Reconstruction period were so harsh that, fifteen years after the Civil War, Charleston had still been unable to rebuild a large district in the heart of the city that had been burned during the war. Railroads, except for major lines owned by northern interests, were barely passable for trains running ten or fifteen miles an hour. The per capita wealth in the southern states was \$376 -- as compared with the \$1,086 per capita average in the states outside the South. The Mississippi average per capita wealth was \$286 -- while Massachusetts had an average of \$1,567.<sup>9</sup> Industrialization during this period was financially impossible.

## 2. Labor Surplus and Race Relations.

Between 1874 and 1897 there was a steady year-by-year decrease in the price of cotton, which was the keystone of the entire agrarian economy.<sup>10</sup> Despite the fact that the twenty-three million acres of cotton planted in 1894 broke all production records, a drop in price to 4.6 cents a pound meant that farmers received less total money than they had earned in 1873 on nine million acres. This decrease in the price of cotton, plus the outrageous cost of credit due to the supply merchant system, predictably resulted in a re-distribution of land ownership.<sup>10</sup> The pattern of large agricultural holdings, now often

<sup>8</sup>Cash, op. cit., pp. 151-178.

<sup>9</sup>Woodward, Origins of the New South, pp. 107-111.

<sup>10</sup>The South was frozen in its dependence on cotton because that was the only crop on which credit could be obtained. Transportation facilities were so poor that even if a farmer had not been in debt, and thus free to try other crops, there was no market, Ibid., pp. 175-185.





owned by supply merchants, continued, but by 1910 over one-third of the farms were worked by share croppers.

In the 1870's as a result of this evolving situation, there was a substantial southern emigration to Texas and Arkansas. An extended Texas drought and the decline in western farm prices soon closed that avenue of escape and even forced some emigrants to return south.<sup>11</sup> Furthermore opportunities for emigration north were restricted by the activities of the American Emigrany Company. Beginning during the Civil War this company imported skilled laborers from Europe and advertised its ability to provide American employers on short notice and on reasonable terms with miners, machinists, blacksmiths, and mechanics of every kind.<sup>12</sup>

As people were driven from farms by low cotton prices and the sharecropper system and cut off from emigration to other regions of the country, the South developed a major labor surplus. In addition the immediate economic advantages of a large family in an agricultural region forecast a continuing southern labor surplus.<sup>13</sup>

<sup>11</sup>Ibid., pp. 186-187.

<sup>12</sup>Having mortgaged future wages to pay for transportation to the United States, the immigrants were often forced to accept very minimum wages. Over five million immigrants entered the United States between 1881 and 1890. Southern labor could not compete in quantity or in skills with European labor. Foster Rhea Dulles, Labor in America, (second edition, New York: Thomas Y. Crowell Company, 1960), pp. 97-98.

<sup>13</sup>In 1900 there were 125 adult males to every 100 school children in New York, 135 in Massachusetts, 134 in Connecticut -- yet there were only 66 adult males to every 100 school children in North Carolina and Mississippi and only 61 in South Carolina. Woodward, Origins of the New South, p. 399.



Due to this labor surplus, white and negro workers now competed for the same jobs. For the first time white sharecroppers appeared, even though most landowners were accustomed to and preferred negro tenants.<sup>14</sup> White men replaced negroes in almost any available job. For example, in 1870 the New Orleans city directory listed 3,460 negroes employed as carpenters, cigar makers, painters, clerks, shoemakers, coopers, tailors, bakers, blacksmith, and foundry hands. Yet in 1904, although the negro population of the city had increased by 50 percent, only about 300 negroes were employed in the same trades.<sup>15</sup>

The emotional reaction to this economic situation produced a major political movement in the southern states. The Southern Farmers' Alliance, an agrarian counterpart of the Knights of Labor, spread rapidly throughout the South. While ebbing and flowing at different periods, the influences that had produced the Farmers' Alliance, the Greenbacker movement, and the Knights of Labor in the southern states now merged into the Populist party. In the South, therefore, the

<sup>14</sup>"So far as the planters were concerned, they had almost as little actual need for the labor of the common whites now as in the Old South... From the time of the appearance of the white tenant and cropper, we find growing up in the South a body of negroes at loose ends, without any definite place in the economic order or any settled means of support... In large measure, and in literal fact, (the planters) came to the use of white tenants only through the operation of race loyalty and the old paternalism. They felt not the slightest responsibility for what had happened to the dispossessed. Yet here they were, willy-nilly. Under our planter's eyes. Men we have known all our days, laughed with, hunted with and, in many a case fought side by side with. Human. White. With white women and white children. And having to find employment -- or starve." Cash, op. cit., pp. 172-173.

<sup>15</sup>Woodward, Origins of the New South, p. 361.





Populist movement advocated a combination of farmers with city and factory laborers, a political union with negro farmers and laborers, and a national alliance with western -- rather than northern -- states. Their language, about as moderate as their program, exhorted the public to join in the "bitter and irpressible conflict between capitalist and laborer" and appealed to "every wage earner to combine and march shoulder-to-shoulder to the ballot box and by their sufferage overthrow the capitalist class."<sup>16</sup>

The moral fervor of the Farmers' Alliance/Greenbackers/Populists was intense. Despite considerable initial success in electing both white and negro candidates to local, state and national offices, the movement was destroyed by the revived emotional issue of race relations because it represented small landowners, sharecroppers, and laborers: white men who were or could soon be in direct competition with negroes for jobs. The creed of white supremacy could be accepted as a matter of course by an individual secure in a well-established position but not by a white man working -- when he could get a job beside a black man for a black man's wages. The emotional need for white supremacy, caused by the labor surplus, resulted in the political failure of the Populist movement in the South, the enactment of Jim crow laws requiring segregation, and

<sup>16</sup> Woodward, Origins of the New South, pp. 244-254.





finally solidification of the South within the Democratic party.<sup>17</sup>

### 3. Gospel of Progress.

In a desperate attempt to create jobs and thus escape racial and civic tensions resulting from the growing labor surplus, the southern states began to industrialize with civic fervor.

Insofar as industrialization is concerned, it must be realized that in 1860 the South had 17.2 percent of the manufacturing establishments in the country. The proportion was low but some mills and mines and plants did exist, and they held their own or even expanded after the war. In addition southern legislatures and communities had consistently offered special privileges in the form of low tax rates and land grants to induce industry to locate in their area even though the major beneficiaries had been railroads. Finally, it must be realized that a depression ended in 1879, thus freeing northern and English capital for southern investments.<sup>18</sup>

Yet even when all this is considered, the establishment of cotton mills in the twenty years between 1880 and 1900 most nearly resembled a crusade. According to Cash:

<sup>17</sup> Although Reconstruction ended in 1877, Jim Crow laws did not begin to be enacted until ten years later and the success and speed of these laws corresponded with the political success of the Southern Farmers' Alliance. It is noted that the move to disfranchise negroes did not begin until 1901, involved disfranchizing a number of white voters also, and, ironically, was often enacted by negro votes since the question was not white supremacy but which whites would be supreme. Woodward, Origins of the New South, pp. 209-212, 324-349.

<sup>18</sup> The extent of the English investment in the South during this period is surprising. English and Scotch companies bought two and one-half million acres of land in Florida, about one and one-third million acres in Mississippi, a million and a half acres in Louisiana, four and a half million acres in Texas. Ibid., pp. 119-120.



At Salisbury, North Carolina, one Mr. Pearson, holding a revival meeting in an improvised tabernacle, preached "powerfully" on the plight of the poor whites, declared that 'the establishment of a cotton mill would be the most Christian act his hearers could perform' -- and the next evening at a great mass meeting the village's first mill was actually organized, with another minister at its head...

This procedure is as inexplicable as the ravings of the wildest Bedlamite until one remembers the spirit in which the whole venture was conceived... This was not a business but a social enterprise. Any profit that might accrue to the originators of the mill was but incidental; the main thing was the salvation of the decaying community, and especially the poor whites, who were in danger of being submerged altogether. The record of those days is filled with a moral fervor that is astonishing. People were urged to take stock in the mills for the town's sake, for the poor people's sake, for the South's sake, literally for God's sake.<sup>19</sup>

This fervor was necessary to obtain the necessary local capital, for only after it had been raised could a block of stock be issued to a textile machinery manufacturer or a commission merchant in return for the machines -- and a large proportion of the profits. In an agricultural region with little capital accumulation, small farmers joined together to buy a share of stock and workers formed pools to which each man contributed 25 cents a week. This was a crusade, a "bootstrap" effort, and in the twenty-year period over 400 new cotton mills were somehow established in the southern states.<sup>20</sup>

<sup>19</sup>Cash, op. cit., pp. 184-185.

<sup>20</sup>The altruism of the cotton mill crusade has been questioned by Woodward in view of the substantial profits made by these mills from the beginning. According to Cash, however, cotton mill profits were considered to be "seed corn" for use in establishing still more mills in an area with little available capital. Woodward, Origins of the New South, pp. 131-135, and Cash, op. cit., pp. 183, 197-199.





Relatively unnoticed in the civic furor over cotton mills, northern Alabama was industrialized during the same period. Largely under the direction of the Louisville and Nashville railroad, northern capital established iron and coal mines and constructed furnaces. Between 1876 and 1901 pig-iron production increased seventeen times in the South and only eight times nationally.<sup>21</sup> Cigar and cigarette factories were established as was the cotton seed oil industry.

The accomplishments during the twenty years of the "big leap forward" were astounding. Yet in 1900 the South had barely kept even with the rest of the nation. It remained a basically agricultural region -- with a labor surplus.<sup>22</sup>

#### 4. Popular Opinion.

Because of the conditions under which the cotton mills were

<sup>21</sup>During the depression of 1884 and 1885 southern iron invaded northern markets. In retaliation the Pittsburgh Steel men obtained a freight differential and then, after U. S. Steel bought control of the Birmingham mills in 1907 in a dubious manner, imposed the Birmingham Differential pricing system. Woodward, Origins of the New South, pp. 126-129, 299-312, 312-317.

<sup>22</sup>Ibid., p. 140. The exact date that the labor surplus began is a subject of some dispute. An acute labor surplus did cause the industrialization crusade. Yet that drive apparently worked well enough to absorb most of the surplus labor in many areas. At any rate, between 1900 and 1910 Mississippi Delta farmers tried to obtain Italian immigrant sharecroppers in order to open more of the Delta region to farming and a colony of Italian sharecroppers was established in both Mississippi and Arkansas. While Italian industry was extolled, the cost of importing the workers was so great the farmers from other areas were hired whenever available. With the arrival and spread of the boll weevil (1907 in Mississippi) southern agricultural labor again became a surplus commodity. With the exception of war periods, it has retained that unfortunate condition to the present. Brandfon, op. cit., pp. 591-611, Thomas D. Clark, The Emerging South (New York: Oxford University Press, 1961), p. 105, Cash, op. cit., pp. 169-179.





established -- and the problem which they were intended to solve -- their owners and managers (and by extension industrialists of every kind) considered themselves patriots, saviors of the South, and benefactors to both their workmen and the public at large. Furthermore, this feeling was generally shared by the whole community even when the mill owners had "risen above" the need for direct management of the mills due to the large profits produced by low wages. Under these conditions an extraordinary degree of individualism was tolerated in industrialists -- this in a region that had traditionally rewarded and required individualism.<sup>23</sup>

For the laborer the same individualism reduced his effectiveness as a union member for he had no tradition or experience in working together for the common good rather than personal gain. In addition, the idea of collective union action was weakened by the same fault that caused the Greenbacker and Populist movements to fail in the South. The necessity for cooperating with negro workers on matters of common

<sup>23</sup>Cash, op. cit., pp. 346-350. What is unique about this attitude in the South is the intense degree with which it was and is felt and its wide popular acceptance. To a lesser degree, and particularly among executives, this attitude is widely shared nationally, as witness a 1946 Fortune editorial:

The manager of an individual firm is in business not only to make a profit; he has been taught -- and indeed the whole theory of capitalism would reinforce this belief, that if he does not compete with other firms to make an honest profit by selling goods at lower prices he is discharging his fundamental duty to society. The executive of a corporation may take on large outside responsibilities. He may contribute to charity, he may run for governor, he may be a leader in the life of his community. But, fundamentally, he is convinced that to the degree he benefits himself by putting goods on the market he is contributing to the good of all. He is directly giving employment. He is adding to the wealth of nations. "Labor's Cause," Fortune, (November, 1946), p. 3.



economic interest in effect breached the common front required by the creed of white supremacy. Furthermore, union action was even considered immoral. The South has been not only extremely religious but has firmly believed the Calvinist doctrine that God called each man to his place and that it therefore behooved men to accept the will of God instead of rebelling against it. This was accompanied by the corollary but not always consistent conviction that God apportions His reward in exact relationship to the merit and goodness of the recipient and that, therefore, both employers and workers were already getting exactly what they deserved.<sup>24</sup>

Thus, in the opinion of practically all southerners, the employer was considered to be a southern patriot and benefactor while union members were atheists, communists, and, most damaging of all, traitors to the creed of white supremacy.<sup>25</sup> This strong community opinion naturally operated to encourage strike-breaking and otherwise crumble the common front required to conduct a successful strike.

##### 5. Current Factors.

While an effort has been made to show how and why the factors that militate against organized labor in the South originated, it must be remembered that each of these factors still operates today -- and with the force of tradition to reinforce the original cause.

<sup>24</sup>Cash, op. cit., pp. 89-93, 139-143, 235-237, 291-294, 350-352.

<sup>25</sup>While "communist" was an epithet in the South long before the Russian Revolution, the bitter Gastonia, N. C., strike in 1929 was taken over and directed by two Communist organizers. That one incident, however, served to associate communism and unionism in the popular mind in the southern states. Ibid., p. 346, p. 353.







If southern ministers generally opposed the union movement in the past, the same opposition exists today. Originally ministers actually organized cotton mills, and this bias was so pronounced that in 1929 they believed and preached that the Gastonia strikers were rebelling against the will of God. In 1946, when a C. I. O. representative called at a minister's home in South Carolina, the minister was found to be out distributing anti-union literature at the gates of a nearby mill.<sup>26</sup> Today the A. F. of L. - C. I. O. still finds it necessary to publish a pamphlet "Religion and Labor" emphasizing religious support for labor movements.<sup>27</sup>

If southern employers were individualists then, the same individualism exists today. In 1898 one North Carolina owner temporarily closed his mill rather than deal with a labor union.<sup>28</sup> In 1956 Roger Milliken permanently closed a mill employing 500 workers in a South Carolina town of 7,000 people rather than deal with a labor union.<sup>29</sup>

<sup>26</sup>"Labor Drives South, " *Fortuen* (November, 1946), pp. 134-140, 230-237.

<sup>27</sup>Religion and Labor, (Publication No. 79. Washington: AFL-CIO Revised March 1964).

<sup>28</sup>Woodward, Orgins of the New South, p. 422.

<sup>29</sup>While complicated by the factor of "unnecessary facility, " the Darlington Manufacturing Company case was taken to the National Labor Relations Board, which ruled in favor of the union, and to the U. S. Court of Appeals, which ruled in favor of the company. Now the Supreme Court has agreed to decide "which is paramount, an employer's right to close rather than deal with a union, or the worker's right to organize without obstruction by the employer?" "Significant Decisions in Labor Cases" Monthly Labor Review (December, 1962), pp. 1393-1394, (January, 1964), pp. 65-66, Richard Gorrell, "Roger Milliken and the Textile Union," The Reporter (January 3, 1963), p. 32, "High Court Agrees to Rule Whether Firm Has Right to Close to Avoid Unionization," The Wall Street Journal, (April 21, 1964), p. 5.



If the creed of white supremacy discouraged common action on economic matters with negroes then, the same problem exists today. This issue resulted in the failure of the southern Populist movement before 1900. In 1956 the vice president of an A. F. of L. state labor union federation said "I've given my life to organized labor, but I'll turn in my card before I give up my Southern heritage."<sup>30</sup>

If southern wages were low then, so are southern wages low today. In 1909 the average yearly earnings of southern workers were 12 percent below the national average.<sup>31</sup> In 1957 a Louisville long distance telephone operator was paid \$7 a week less than a Detroit operator and a southern rubber worker received 32 cents per hour less than his northern counterpart.<sup>32</sup> In 1961 the North Carolina industrial worker was paid 75 cents an hour less than the national average although his products sold at national market prices.<sup>33</sup>

<sup>30</sup> If negro workers in a plant or craft are not organized simultaneously with white workers they will serve as strike-breakers. Yet white union members are often also members of white Citizens' Councils since they have a great emotional need for the creed of white supremacy. As a result, union officials and money have been devoted to maintaining existing integrated unions which could have been spent on organizing new unions and local union organizing elections have been lost due to this issue. Henry L. Trewhitt, "Southern Unions and the Integration Issue," The Reporter, (October 4, 1956), pp. 25-28.

<sup>31</sup> The differential in the extractive industries, employing over 60 percent of the southern workers, was even greater. Woodward, Origins of the New South, p. 319.

<sup>32</sup> "Equal Pay for Southerners?," Fortune, (January, 1957), pp. 183-186.

<sup>33</sup> Douglass Cater, "Labor's Long Trial in Henderson, N. C.," The Reporter, (September 14, 1961), pp. 36-40. Part of this wage differential is due to the fact that the southern states as a whole have a high proportion of those industries that pay lower wages wherever they are located. For example, it has been estimated that two-fifths of the Virginia wage differential is due to the presence of low wage industries. The Virginia Economic Review, (April, 1959) op. cit., pp. 2-3.





If the South believed in and sought industrialization then, so does it today. In 1880 the cotton mill crusade began. In 1936 the Mississippi legislature authorized cities to issue bonds for the purpose of constructing plants and buying machinery to lease to new industries.<sup>34</sup> Today representatives of southern Chambers of Commerce and state industrial boards are still promising manufacturers abundant labor, raw materials, low taxes, balmy climate and even southern traditions.<sup>35</sup>

If the amount of industrialization achieved was great then, so it is today. The crusade beginning in 1880 established over 400 new cotton mills in twenty years while simultaneously creating the iron and steel industry in Birmingham. In 1947 more than a billion dollars was invested in southern industry.<sup>36</sup> Between 1956 and July 1, 1959, over 4400 new industrial plants were located in southern states.<sup>37</sup>

<sup>34</sup>Initially passed in 1936, and revised in 1944 and 1960, Mississippi's Balance Agriculture With Industry program provides that a city or county may issue revenue bonds to construct and equip plants for industries within their area. The rental charged the tenant company over a 25 year period would amortize the bonds and, in view of the lower interest rates on municipal bonds, provide the company with facilities more economically than such facilities could be financed by the company. In addition, companies could be exempted from all local taxes for a 10 year period -- with the additional municipal facilities required by the new plant presumably being paid from the taxes of the plant employees. Andre, op. cit., pp. 53-66.

<sup>35</sup>Clark, op. cit., pp. 115-117, 111-112, Louisiana Invests in Industry, Department of Commerce and Industry, (Baton Rouge: State of Louisiana, Revised October, 1960), The Virginia Economic Review, op. cit., pp. 1-6, Georgia Skill Study Summary Report, (Atlanta: Georgia Department of Labor, Employment Security Agency, 1963), pp. 1, 29-32.

<sup>36</sup>"South's New Look," U. S. News and World Report, (June 1, 1951), pp. 20-21.

<sup>37</sup>Clark, op. cit., p. 276.





Yet if results of the drive for industrialization were inadequate then, so are they inadequate today. The original crusade to establish a New South accomplished much but by 1900 the South had just managed to keep almost even with the rest of the United States. In 1938 the President's Report on Economic Conditions of the South stated that the southern states were "the nation's No. 1 economic problem."<sup>38</sup> In 1952 the National Planning Association estimated that the South would need between four and five billion dollars a year in new capital investment to bring its economy up to the national level.<sup>39</sup> As shown in Table IV the annual average per capita income in each of the southern states has remained significantly below the national average, with Mississippi more than \$1,000 below a 1961 national average of \$2,1263. In 1960 Virginia's per capita income "was \$1,848, an amount which compared well with the \$1,607 average of the southeastern states, but which was 17 percent under the national average."<sup>40</sup> Furthermore, as shown in Table V, with the exception of Florida, the southern states remain rural rather than urban, agricultural rather than industrial.

For the South continues to have a major labor surplus. Between 1940 and 1950 the population of the southern states increased by three

<sup>38</sup>"The Great New Fact," The Nation (September 27, 1952), p. 252.

<sup>39</sup>Henry Lesesne, "The South: Giant of Tomorrow," The Nation (September 27, 1952), pp. 253-255.

<sup>40</sup>Virginia: An Economic Profile, (Richmond; Research Department Federal Reserve Bank of Richmond, Fifth District, Third Printing, August, 1963), p. 12. It is noted that the Federal Reserve Bank of Richmond quotes the 1960 Virginia per capita income as \$1,848 while the Bureau of the Census uses \$1,853. The difference is considered insignificant.



TABLE IV

PERSONAL INCOME BY STATES: 1929 TO 1961  
Per Capita (dollars)

	<u>1929</u>	<u>1940</u>	<u>1950</u>	<u>1955</u>	<u>1960</u>	<u>1961</u>
Total U. S.	\$703	\$595	\$1,491	\$1,866	\$2,215	\$2,263
Virginia	435	466	1,234	1,571	1,853	1,908
North Carolina	334	328	1,012	1,285	1,563	1,642
South Carolina	270	307	882	1,147	1,378	1,433
Georgia	350	340	1,017	1,332	1,610	1,649
Florida	521	513	1,287	1,659	1,966	1,965
Tennessee	377	339	995	1,270	1,536	1,605
Alabama	324	282	869	1,199	1,461	1,492
Mississippi	285	218	733	994	1,169	1,229
Arkansas	305	256	807	1,087	1,337	1,446
Louisiana	415	363	1,087	1,367	1,602	1,626

SOURCE: U. S. Bureau of the Census, Statistical Abstract of the United States: 1963. (Eighty-fourth edition) Washington, D. C., 1963. Table No. 441, p. 329.





TABLE V

## POPULATION, URBAN AND RURAL: 1950 AND 1960

	<u>Percent Urban</u>	
	<u>1950</u>	<u>1960</u>
Total U. S.	64.0	69.9
Virginia	47.0	55.8
North Carolina	33.7	39.5
South Carolina	36.7	41.2
Georgia	45.3	55.3
Florida	65.5	74.0
Tennessee	44.1	52.3
Alabama	43.8	55.0
Mississippi	27.9	37.7
Arkansas	33.0	42.8
Louisiana	54.8	63.3

SOURCE: U. S. Bureau of the Census, Statistical Abstract of the United States: 1963. (Eighty-fourth edition) Washington, D. C., 1963. Table No. 12, p. 20.



and one-half million people even though there was a net migration from the southern states of over one million people. Between 1950 and 1960 the population of the southern states increased by over five million people despite a net **emigration** of 689,000. Furthermore, this net **emigration** occurred even though over one and one-half million people moved into Florida.<sup>41</sup> As a result, in 1961 the population of the southern states was relatively young, was increasing, and "was sufficient to supply five or six times the present industrial needs."<sup>42</sup>

<sup>41</sup>U. S. Bureau of the Census, Historical Statistics of the United States, Colonial Times to 1957, Washington D. C., 1960. Series A 17-20, Series A 123-180, Series C 25-73. U. S. Bureau of the Census, Statistical Abstract of the United States: 1963 (Eighty-fourth edition) Washington, D. C., 1963, Tables Nos. 24 and 35.

<sup>42</sup>Clark, op. cit., p. 112.



## CHAPTER III

### FACTORS FAVORING SOUTHERN UNIONS

It is relatively easy to understand the origins and effect of the interrelated factors, as outlined in Chapter II, that militate against organized labor in the southern states. But, assuming that southerners generally regard employers as "patriotic benefactors" and union members as "sinners," why have a number of southerners deliberately elected to be "sinners?" Since, as has been shown in Table I, there are now over one million union members in the southern states, there must be some factors which favor organized labor.

First, it must be admitted that it would be easier to identify areas of success and failure in organizing southern workers if it were possible to determine with some degree of accuracy which southern workers had become union members. Because of (a) various means used by different unions in determining membership, (b) extensive Chamber of Commerce efforts to attract industry which emphasized at length the lack of union organization, and (c) the desire of some southern union members not to advertise their affiliation for fear of attracting retaliation, only general information on this subject is available.<sup>1</sup>

<sup>1</sup>According to the Bureau of Labor Statistics membership figures furnished by national unions are not reported by state, are sometimes inflated for prestige reasons, and include those excused from dues payment because of unemployment or strikes as well as those who are **retired** or serving in the armed forces. Estimates of state membership, a comparatively recent series of data, are not reported by national union and are somewhat suspect since not all AFL-CIO unions join their respective state bodies. Harry P. Cohany, "Union Membership, 1958," Monthly Labor Review (January, 1960), pp. 1-9.





It is therefore necessary to begin by briefly reviewing the history of the southern labor movement. Because the overwhelming emphasis on textiles common to most literature on southern economic development has tended to obscure southern economic developments, southern textile union history will be reviewed separately.<sup>2</sup> From these reviews it will be possible to identify areas in which the labor movement has been successful in the southern states and areas in which there has been continuing failure.

#### 1. Southern Labor Union History.

In general southern labor union history has roughly paralleled the development of national labor unions even though, due to the retarded southern industrialization, there were fewer workers involved. There have been two issues, however, which southern workers have had to fight which have had no significant effect on workers in other areas.

The first of these southern issues was competition between slave labor and free white workers living in a wage economy. In 1842 the Tredegar Iron Works in Richmond, Virginia, began to "rent" and purchase slave workers in order to reduce current labor costs. By 1846 there were 600 slave workers and only 200 free workers, mainly in the more skilled jobs. The predictable strike occurred in 1847, basically over the problem of job security although a wage increase was also requested. Just as predictably the strike failed. Although there was

<sup>2</sup>Woodward, Origins of the New South, p. 131. This emphasis is due not only to the emotional intensity of the original cotton mill crusade but also to the fact that it has been the only area of southern industrialization achieved to a great extent by local capital under local direction.



similar agitation elsewhere in the southern states, it too was popularly regarded as an effort to abolish slavery and therefore failed. Thus, although competition from slave labor seriously reduced wages and lengthened working hours, this issue was resolved by the Civil War rather than by the organized efforts of free southern workers.<sup>3</sup>

The second of these specifically southern issues was direct competition with convict labor. Faced with huge post-reconstruction state debts, the southern states leased convicts to large employers for use as laborers, thus converting a source of expense into a source of revenue for the state. At the same time, however, the wages of free workers were necessarily depressed by the relatively low price (\$60 a head plus board and lodging) paid to the state for convict workers. In 1891 the Tennessee Coal and Mining Company in Anderson County, Tennessee, refused to renew a contract with its workers, who were members of the Knights of Labor. The miners struck and were evicted from company housing. The company contracted for convict workers and reopened the mine. Armed miners then forced the convicts and their guards to board a train for Knoxville. The Governor of Tennessee sent three companies of National Guardsmen to escort the convicts and their guards back to the mines. Again the armed miners entrained convicts, guards, and National Guardsmen for Knoxville. Again the Governor returned the convicts, their guards, and fourteen companies of National Guardsmen to the

<sup>3</sup>The Southern Labor Story, op. cit., pp. 9-11. The southern use of slave labor in manufacturing naturally has an indirect effect upon northern workers by providing a considerable supplemental profit from reduced current wage costs for southern manufacturers. The effect of direct competition with slave labor is also probably primarily responsible for limiting the flow of immigrants to the southern states before the Civil War.







mines. This time the armed miners forcibly freed the convicts, issuing each convict a suit of civilian clothes to prevent immediate recapture, and burned the convict stockade. The union contract was renewed but similar incidents occurred throughout the Tennessee mine fields until the legislature ended the convict lease system in 1893.<sup>4</sup>

Aside from these specific occurrences, the degree to which the southern labor movement has paralleled national developments is not generally recognized. During periods of prosperity prior to the Civil War, independent unions -- built around a core of skilled workers -- were formed spontaneously in various parts of the country. At such times the bargaining power of the skilled workers, whose organization was facilitated because wages lagged behind price increases, would produce wage increases through successful strikes against employers who were endeavoring to maintain or expand production. The unions would then grow rapidly by recruiting semi-skilled or unskilled workers. However, the unions would dissolve during the next depression when the bargaining position and the scant financial reserves of the unskilled workers, who by this time formed the majority of the organization, forced self-preservation to supercede the common interest.<sup>5</sup>

<sup>4</sup> Ibid., pp. 15-17, and Woodward, Origins of the New South, pp. 212-215, 232-234. A somewhat similar albeit illegal system continued to exist in the smaller southern counties. A local employer would pay the fines of convicted county prisoners and use the prisoners "to pay out the costs" as workers on his farm. As late as 1935 there were federal peonage cases made and convictions attained on this issue. Ralph McGill, The South and the Southerner (Boston: Little, Brown and Company, 1959) p. 163.

<sup>5</sup> Melvin W. Reder, Labor in a Growing Economy, (New York: John Wiley & Sons Inc., 1957), pp. 30-25, Chester A. Morgan, Labor Economics (Homewood, Illinois: The Dorsey Press, Inc., 1962), pp. 345-351, Dulles, op. cit., pp. 1-90.



In the South the same pattern prevailed. By 1836 printers unions existed in Richmond, Charleston, Augusta, Mobile, New Orleans, Natchez, and Nashville. Trade unions existed in Jacksonville and Tallahassee, Florida. Union Newspapers appeared irregularly in South Carolina, Virginia, Alabama, and Louisiana. Unions were formed among plasterers, carpenters, barbers, tailors, seamen, longshoremen, tobacco workers, blacksmiths, and bricklayers.<sup>6</sup>

After the Civil War manufacturing became industrialized with increased machinery facilitating use of unskilled or semi-skilled workers, and thereby reducing the bargaining power of any individual worker. Furthermore, industries became consolidated into one or a limited number of giant corporations. Working conditions were undesirable at best, and immigrant workers were openly imported as strike-breakers. The Knights of Labor repeated the pre-war pattern of labor union history on a national scale. After successful strikes against the Union Pacific and Wabash railroads, membership soared rapidly. Then followed a series of unsuccessful strikes culminating in the May 1st (1886) general strike for an eight hour day. Although about 340,000 workers participated, and over half went on strike, the results were transitory and the Haymarket Square aftermath fatal. The Knights of Labor faded as rapidly as it had grown.<sup>7</sup>

<sup>6</sup>The Southern Labor Story, op. cit., pp. 11-12. Because craft unions were the basic form of union organization, segregated local unions could be organized. By this means both white and negro workers could be organized simultaneously in an area of labor surplus without a frontal attack upon an emotional regional problem.

<sup>7</sup>Reder, op. cit., pp. 35-42, Morgan, op. cit., pp. 351-354, Dulles, op. cit., pp. 91-149.





In the South there was the same industrialization, poor working conditions, and miserable living conditions. Dockworkers', coopers', cigar makers', bricklayers', steelworkers', and carpenters' unions already existed when the Knights of Labor was formed. By 1886 there were 21,208 members of the Knights of Labor attached to the Southern District and about 10,000 more attached to national trade assemblies. Birmingham, Knoxville, New Orleans, and Richmond were particularly well organized. There were strikes in the coal mines of Alabama and Tennessee, among the Louisiana sugar workers and the Alabama lumber workers. The successful railroad strikes were won to a great extent in the Arkansas and Texas railroad shops. Politically, two blacksmiths, a cobbler, and a tanner were elected to the Richmond city council and the mayors of Jacksonville, Florida, Vicksburg, Mississippi, and Anniston, Alabama, owed their success to the Knights of Labor. But the Knights of Labor declined in the South as rapidly as it did elsewhere.<sup>8</sup>

At the end of the century, The American Federation of Labor was formed. A serious depression evoked Coxey's Army and the Populist movement -- as well as the Homestead and Pullman strike, fought by strong unions and ultimately settled by militia and federal troops. Although American workers have been organized in some fashion, at least

<sup>8</sup> Woodward, Origins of the New South, pp. 221-231. The Knights of Labor believed in interracial solidarity and the New Orleans Central Trades and Labor Assembly was said to have done more to break the New Orleans color line than anything since emancipation. At the same time, between 1882 and 1900 there were 50 southern strikes against the employment of negro workers. Ibid., pp. 222, 229.





sufficiently to strike, since the middle of the 18th century, it was not until the formation of the American Federation of Labor that union strength was even partially maintained during a depression. This was accomplished, however, only by restricting union membership to skilled workers.<sup>9</sup>

In the South the same pattern prevailed. Following the Homestead strike and preceding the Pullman strike, the New Orleans general strike of 1892 involved over 20,000 workers in 42 union locals. After four days and a threat to call out the militia, demands for a ten hour day and overtime pay were accepted by the Board of Trade.<sup>10</sup> In 1894 the Alabama National Guard had a busy summer, beginning in October, Alabama with the April national soft-coal strike, to the June railroad strike in Birmingham (in sympathy with the Pullman strike), to the July Pratt mines strike. In March 1895 the Louisiana militia ended a violent New Orleans dock strike by protecting negro strikebreakers. In May 1895 the Virginia National Guard ended a miners strike by protecting Italian strikebreakers at the Pocahontas coal mine.<sup>11</sup>

Immediately after the turn of the century there was a brief era of industrial peace as Samuel Gompers and Mark Hanna headed the National Civic Federation. Then industry began an anti-union drive that

<sup>9</sup> Dulles, op. cit., pp. 31-33, 53-54, 87-90, 150-183, Rader, op. cit., pp. 44-49, Morgan, op. cit., pp. 354-356.

<sup>10</sup> The Southern Labor Story, op. cit., p. 18, Woodward, Origins of the New South, pp. 231-232. It is noted that labor considers the New Orleans general strike "a historic victory." On the other hand, Woodward reports that the strike committee was never very aggressive, that demands for collective bargaining and the closed shop were conceded, and that the Board of Trade boasted that New Orleans was an open shop city and that the old philosophy of labor had been vindicated.

<sup>11</sup> Woodward, Origins of the New South, pp. 264-265.



lasted until just before the first world war. Due to the labor shortage and production demand caused by the war, union strength grew and the National War Labor Board arbitrated all industrial strikes. After the war, opposition to unions spread and was augmented by the formation of company unions and the development of "welfare capitalism."<sup>12</sup>

In the South the wartime labor shortage led to the first substantial wave of southern emigration. The anti-union drives were as pronounced in the southern states as they were nationally; however, southern workers did not join the few national strikes, as they had done in previous periods. Thus, the Birmingham steelworkers did not join the 1919 national steel strike, and competition from southern non-union mines effectively decimated the strong mineworkers union that had painfully organized the bituminous coal fields of Pennsylvania, Ohio, Indiana, and Illinois.<sup>13</sup>

The depression of the 1930's created a major national labor surplus; however, for the first time the federal government actively supported union organization. As a result of this support, the basic manufacturing industries were at least organized by labor. The organizing strikes were violent and bitter, the opposition was strong, but this time the strikes were successful.<sup>14</sup>

In the South the same pattern prevailed. The mine workers were

<sup>12</sup>Dulles, op. cit., pp. 184-259, Reder, op. cit., pp. 49-65, Morgan, op. cit., pp. 356-358.

<sup>13</sup>Robert H. Wiebe, "The Anthracite Strike of 1902: A Record of Confusion", The Mississippi Valley Historical Review (September, 1961), pp. 229-251, Bloom and Nortrup, op. cit., p. 264, The Southern Labor Story, op. cit., p. 22.

<sup>14</sup>Dulles, op. cit., pp. 259-325, Reder, op. cit., pp. 65-72, Morgan, op. cit., pp. 358-359.







organized; the Birmingham steelworkers were organized in 1937 when U. S. Steel accepted the Steel Workers' Organizing Committee as the national bargaining agent. In 1940 the Memphis Firestone plant was organized. During the war the labor shortage, plus the need for continued production, accelerated union organization. The Gadsden, Alabama, Goodyear plant was organized in 1943 after eight years' effort. The auto workers in southern branch plants were covered by national bargaining contracts. The packinghouse workers were organized.<sup>15</sup>

After the war there was a national reaction against labor. The Taft-Hartley and Landrum-Griffin Acts were passed. The C. I. O. began "Operation Dixie" as described in Chapter I, and, almost as a by-product of "Operation Dixie," it organized the southern pulp, paper, paperboard, and lumber mills. In 1946 the C. I. O. organized the Masonite Corporation plant in Laurel, Mississippi. The plant was paying wages of 40 to 50 cents an hour, locally considered to be insufficient to support a family when cotton was selling for 32 cents a pound. The contract set off an organizing boom throughout southern Mississippi.<sup>16</sup> This union breakthrough occurred at the same time that the industry was entering a major period of growth and consolidation, changing from a pattern of itinerate sawmills to a program of "tree farming" many acres of company owned or leased land.<sup>17</sup> As a result, in this particular

<sup>15</sup>"Labor Drives South," Fortune (November, 1946), pp. 134-140, 130-237, "Twenty-Five Years of the URW," op. cit., p. 22, 23, "Despite Tension, the South Keeps on Gaining," Business Week (October 26, 1957), pp. 99-111.

<sup>16</sup>"Labor Drive South," Fortune (November, 1946), pp. 124-140.

<sup>17</sup>Though the 1920 census report did not list pulpwood and paper as southern products, the South now produces more paper than Canada. Clark, op. cit., pp. 105-110.



industry southern workers are not only far more thoroughly organized than northern workers but also receive higher wages.<sup>18</sup>

## 2. Southern Textile Union History.

From the time when William Gregg built the Graniteville mill, southern cotton mills have been an industrial version of a plantation society. The company owned not only the mill but the workers' houses and the local stores. It not only paid the workers but also the preachers, the teachers, and the police -- except for a token dollar paid by the state. Wages were more often than not paid in script redeemable at the company store rather than in cash. As a result, the company not only made a profit on mill operations but usually on operating the town as well.<sup>19</sup> Cotton mill wages were low. In 1885 male spinners in North Carolina averaged \$2.53 a week, female spinners in Alabama averaged \$2.76 a week, and some North Carolina mills paid as little as 10 to 12 cents a day for child labor. As a result it was necessary for the whole family to work in the mills beginning as soon as possible -- and for an average work week of seventy hours for men, women and children. Yet one survey showed that over one-half of North Carolina and Georgia

<sup>18</sup>"Wages in Pulp, Paper, and Paperboard Mills, January, 1962," Monthly Labor Review (September, 1963), pp. 1021-1023.

<sup>19</sup>The company town was not unique to the South. The Pullman Palace Car town of Pullman charged rents that were 25 percent higher for apartments with no bath ubs and only one water faucet for every five families. Dulles, op. cit., pp. 171-172. While the quality of mill facilities varied widely in the southern states the brick houses of Pullman exceeded the standard of many mill quarters. Woodward, Origins of the New South, p. 223.





mill families did not eat as well as the Atlanta prisoners.<sup>20</sup>

Under these conditions it was almost inevitable that strikes would occur despite the "patriotic" status of mill owners. During 1886 and 1887, under the auspices of the Knights of Labor, there were brief unsuccessful strikes in cotton mills in Augusta, Georgia, and Cottondale, Alabama.<sup>21</sup>

After the collapse of the Knights of Labor following the Haymarket Square episode in 1886, there was no union activity in the textile mills until 1898, when Prince W. Green organized a local union to strike against wage cuts in a Columbus, Georgia, mill. The A. F. of L. National Union of Textile Workers was so weak when Greene's local union joined that the Georgians found themselves in control and elected Greene president. An organizing campaign in the southern textile mills followed immediately. In the winter of 1898-1899, the new union struck eight cotton mills in Augusta. All eleven Augusta cotton mills joined in a lockout -- and the strike was broken. In 1900 there were unsuccessful strikes and effective lockouts involving thirty mills in North Carolina alone.<sup>22</sup>

<sup>20</sup> Ibid., pp. 223-225, 420, Cash, op. cit., pp. 202-220. While Clark reports that "earlier cotton milling areas have disposed of their villages to their employees," in June 1959 Time reports that Charles A. Cannon, as President of the Cannon Mills, Still literally owns the town of Kannapolis, N. C., which has a population of 30,000. Clark, op. cit., p. 111. "Blackout in Kannapolis," Time (June 15, 1959), p. 48.

<sup>21</sup> Woodward, Origins of the New South, pp. 229-231.

<sup>22</sup> Caesar Cone of the Proximity Mill, Greensboro, N. C., closed his mill and company store, announcing that he had come South to avoid labor unions and would tear down his mill rather than deal with them. After a short lockout he resumed work with nonunion labor under a yellow dog contract. Ibid., p. 422.





In 1901 a strike was lost at Danville, Virginia. In 1902 the biggest Augusta cotton mill was struck. All mills in the vicinity shut down and evicted about 8,000 workers from their homes. The strikers, living in a tent colony on the Savannah river, hunted and fished for food. Although northern unions sent \$10,000 to help sustain them, the strike was lost after fifteen weeks -- and the union collapsed completely.<sup>23</sup>

Memories of the previous unsuccessful strikes faded, and in 1913, when conditions in the cotton mills had not substantially improved, a big Atlanta textile strike -- accompanied by strikes in other Georgia, South Carolina and Tennessee towns -- was begun. All strikes failed, and the union again collapsed.<sup>24</sup>

With the beginning of the first world war in Europe the textile industry entered a period of rapid expansion. Existing mills operated night and day and new mills were constructed as rapidly as possible. With emigration to northern factories and the draft coming on top of this expansion, the traditional labor surplus disappeared and a labor shortage developed for the first time. Wages soared. In addition, many cotton mills improved their housing, rather than lose the money to the heavy wartime corporation surtaxes. By 1919, however, the European cotton mills had come back into operation and Japanese mills

<sup>23</sup>Ibid., pp. 419-423.

<sup>24</sup>Cash maintains that the consistent failures of southern textile strikes was due to the mill hand who would join any new organization, strike spontaneously without effort but was incapable of methodically preparing for a strike by regularly paying union dues and concentrating upon a specific grievance. Cash., op. cit., pp. 247-250.



were expanding. The southern textile mills had been seriously over-expanded and overcapitalized. Wages were immediately cut. As a result, between 1919 and 1921 there was another wave of unsuccessful southern textile strikes and by 1922 the union had again collapsed.<sup>25</sup>

Due to the surplus textile capacity and the fragmented, competitive nature of the industry, textile production alternated between feast and famine during the 1920's. The mills would overproduce, flooding the market, "dumping" goods at any price, halting all production until suddenly there was a scarcity of textiles. Then prices rose, production drove forward night and day -- and overproduction again resulted. Wages were cut and employment was irregular. By the spring of 1929 inventories were accumulating and mills were cutting wages and laying off workers. At the same time, efficiency experts were introducing the "stretch-out" system of increasing the workload of each remaining employee. In March and April 1929 strikes broke out at Greenville, South Carolina; Elizabethtown, Tennessee; Marion, North Carolina; and Gastonia, North Carolina. The strikes were spontaneous and unpremeditated with no union organizer at any of the areas. The strikes, which were characterized by violence and the abuse of civil liberties, produced a community reaction so bitterly hostile that even some textile workers disassociated themselves from these strikes.

<sup>25</sup> Ibid., pp. 259-263. The Southern Labor Story, op. cit., p. 23.





As usual, the strikes all failed.<sup>26</sup>

Despite local reaction from these four strikes, the A. F. of L. held a special meeting in Washington, D. C., on November 14, 1929, to plan a southern organizing campaign. Nonunion southern competition was hurting many northern workers -- and northern textile workers in particular. Although the organizing drive, like all southern organizing drives, was not particularly successful, there was a series of both spontaneous and planned southern textile strikes. The strikes failed and local unions again collapsed.<sup>27</sup>

In 1933 the National Industrial Recovery Act was passed. It was designed to end the depression by (a) providing reasonable industrial profits by preventing unfair competition and disastrous overproduction, and (b) providing a living wage for labor by spreading work through shorter hours. Since industry was permitted to combine in restraining competition, labor was given the right to organize and bargain collectively. With this official status union membership boomed. While the textile mills cheerfully utilized the industrial portions of the act, violations of the provisions covering wages and hours were common and

<sup>26</sup>The Gastonia strike in particular left a lasting impression. It was popularly considered a "rebellion" against the whole social order and the strikers were stigmatized even in their own minds as Communists, atheists, and "Negro equality citizens." The bitterness was partially caused by a community feeling that the strikes would not only eliminate already dwindling mill dividends (due to poor management as well as industry overcapacity) but would cut off jobs for which students were preparing and payrolls upon which other businesses depended. Cash, op. cit., pp. 264-267, 351-366, The Southern Labor Story, op. cit., pp. 23-26.

<sup>27</sup>The Southern Labor Story, op. cit., p. 26, 28.



the Cotton Code Authority did nothing to enforce these standards. As a result, during August 1934 there was a national textile strike involving about 500,000 workers in twenty states -- and 11,000 National Guardsmen in eight states. There were 60,000 strikers in Georgia, 60,000 in South Carolina, 88,000 in North Carolina, 35,000 in Alabama, 25,000 in Tennessee, and over 160,000 in the New England states. In order to prevent nonunion labor in southern mills from breaking the strike some union members formed "flying squadrons." Men crowded into automobiles and trucks and swept down on unorganized plants, singing, shouting, and jeering, to turn off the machinery and demand that the workers join the strike. Since violence begets violence, one nonunion member on a plant roof tried to pour raw sulphuric acid on a "flying Squadron," machine guns were mounted and used, and police deputized and armed all citizens willing to maintain law and order. Although the strikers returned to work as requested by President Roosevelt in September, the strike had as usual failed. Over 10,000 union members never regained their jobs, and union strength dropped from 300,000 to about 70,000.<sup>28</sup>

With the passage of the Wagner Act and the formation of the C. I. O., another major effort was made to organize the southern textile workers. A Textile Workers' Organizing Committee was established and backed with over \$600,000 in contributions from northern workers. Using southern organizers and working slowly -- despite strong opposition and an absence of protection for civil liberties -- local southern unions were at last established on a relatively permanent basis. It is probably not a

<sup>28</sup>Dulles, op. cit., pp. 264-273, Cash, op. cit., pp. 394-398.





coincidence that this success occurred at the beginning of the second world war when America was again becoming the arsenal of democracy. As the labor surplus became a wartime labor shortage, still more southern mills were organized.<sup>29</sup> Between 1942 and 1947 the Textile Workers union won 58 percent of its representation elections and subsequently organized 75 per cent of the plants. This was the high point in southern textile worker organization.<sup>30</sup>

In February 1946 the C. I. O. began "Operation Dixie." There was a concentration on southern textile industry because "when textiles are organized, the south will be organized" Despite some initial success, as mentioned in Chapter I, "Operation Dixie" can hardly be considered a union victory. Between 1947 and 1952 the union won only 37 percent of its representation elections and even then could organize less than half of those plants.<sup>31</sup> In 1956 came the Darlington case. When the

<sup>29</sup>Even during the war it was easier to organize textile mills that had just been bought or built, whose owners were forced to recoup the major part of their investment before the sellers' market in textiles collapsed. Established mill owners considered these new owners "black market fleas who got so rich that they went out and bought themselves a mill." "Labor Drives South," Fortune (November, 1946), pp. 134-140, 230-237.

<sup>30</sup>Cash, op. cit., pp. 395-405, The Southern Labor Story, op. cit., pp. 29-30, "Labor Drives South," Fortune (November, 1946), pp. 134-140, 230-237, Douglass Cater, "Labor's Long Trial in Henderson, N. C.," The Reporter (September 14, 1961), pp. 36-40.

<sup>31</sup>While the unions have consistently attributed this decline to the Taft-Hartley Act and state right-to-work laws, which are in effect in all southern states except Louisiana, it is probably not a coincidence that at about the same time the wartime seller's market ended in textiles and the traditional southern labor surplus reappeared, picket line again served as a "help wanted" ad.



textile workers voted for the union, the mill was closed and the machinery was auctioned off piece by piece. Since the mill employed 500 workers in a town of 7,000 the effect was substantial. In 1957, partially as a result of the Darlington incident, the union won only 15 percent of its organization elections. While the union record had inched up to 19 percent victories in 1962, the total union strength has been dropping steadily because mills that had been organized have now become non-union. For example, the Henderson, North Carolina, textile mills had been organized for fifteen years, yet a 1958 strike provoked by management broke the union in those mills. While no statistics are available on the present number of southern textile union members it is noted that in 1938 about 85 percent of the hosiery workers (both north and south) were covered by union contracts. In 1962 only between 5 percent and 10 percent were covered. The record for the whole textile industry is probably comparable to the hosiery workers.<sup>32</sup>

### 3. Areas of Union Success.

From these brief reviews of the development of the labor movement in the southern states, it is evident that certain economic conditions have facilitated union organization. In both the southern states and the country as a whole, the economic conditions that have led to

<sup>32</sup>"Labor Drives South," Fortune (November, 1946), pp. 134-140, 230-237, "Setbacks for Unions," U. S. News and World Report (February 22, 1952), pp. 60-63 Richard Gorrell, "Roger Milliken and the Textile Union," The Reporter (January 3, 1963), p. 32, Douglass Cater, "Labor's Long Trial in Henderson, N. C.," The Reporter (September 14, 1961), pp. 36-40, "Wages in Hosiery Mills, February, 1962," Monthly Labor Review (November, 1962), pp. 1266-1268, The Southern Labor Story, op. cit., pp. 6-8, 31-41.





successful union organization have been: (a) skilled workers, (b) workers in industries requiring continuous production or operations, (c) workers in economically strategic industries, (d) workers in industries whose product is sold primarily in a local rather than national market, (e) workers in branch plants of national companies, (f) workers in large plants, and (g) workers in "union enclaves."

It has been relatively easy to organize skilled workers. The bargaining power of a virtual monopoly of workers have a particular skill essential to certain employers is great because, due to the time required to acquire such skills, it is not easy to replace any substantial number of these workers quickly. Furthermore, since they represent a comparatively small proportion of the working force, it has been possible for them to obtain benefits which could not be granted all workers without upsetting the competitive position of the industry with regard to substitute products.<sup>33</sup> Due to this preferential wage situation,<sup>34</sup> it has also been possible for skilled workers to pay higher union dues

<sup>33</sup> Thus, even though an entire industry may be organized so that the competitive status of individual companies within the industry is not affected by an industry-wide pay raise, the resulting increase in product price may cause consumers to choose a substitute product or to otherwise reduce consumption. For example, it has often been stated that the increases in coal prices, caused in large measure by wage increases, have resulted in many consumers changing from coal to oil or gas as a heating medium, a trend that has contributed to the decline in coal production and reduction in employment. Reder, op. cit., p. 61.

<sup>34</sup> The primary effect of both industrial union contracts and minimum wage laws has been to raise wage rates paid to unskilled workers, without substantially affecting wages paid to more skilled employees. This reduction in the wage differential paid to skilled workers has rarely been appreciated by the skilled workers and has therefore created problems within all industrial unions. Bloom and Northrup, op. cit., pp. 554-568.





regularly and thus build a strong union to further protect their interests. As a result, the craft unions of skilled workers, including airline pilots as an extreme example, have always been the first to be organized and have effectively represented the "aristocracy of labor" although perhaps at the expense of other workers.

It has also been easier to organize workers in industries requiring continuous production or operations. The requirements for continuous production or operations reduces the possibility of successful limited plant operation using substitute personnel.<sup>35</sup> The increased essentiality of the marginal worker to the company has thus improved workers bargaining power and facilitated union organization in such industries as railroads, chemicals and petroleum refining.

Workers in economically strategic industries, such as trucking and cargo-handling, also have an increased bargaining power because general economic disruption resulting from a strike greatly increases outside pressure on management to settle the strike rapidly. On the other hand, the outside pressure generated by a strike that inconveniences the general public has also, on occasion reacted against labor. For example passage of the Taft-Hartley Act in 1947 has been attributed to

<sup>35</sup> Reder, op. cit., p. 47. The current Florida East Coast railroad strike would seem to be an exception of this statement since that railroad is continuing operations with 700 rather than 2,000 employees, limiting its service to full car freight loads, and reducing other services previously furnished customers. By means of such limitations, which are in effect a unilateral revision of services which the company agreed to perform when granted its charter by the State of Florida, the company is earning a profit. The ability of the company to continue its present policies seems, however, to be a matter of political strength rather than development of a viable economic situation. Robert G. Sherrill, "A Few Sticks of Dynamite," The Nation, (March 9, 1954), pp. 227-230.





public resentment against John L. Lewis's intransigence in conducting strikes during and immediately after the second world war.<sup>36</sup>

It has been possible to organize successfully workers in industries whose product is sold in the local rather than the national market, such as the building trades and newspaper printing.<sup>37</sup> Because in such instances union organization in one city is not endangered by non-union production elsewhere, it has been possible for the unions to progress in a steady manner, a possibility denied workers in industries whose product is subject to national competition. In fact, in a number of industries the transition from local to national marketing, normally accompanied by mechanization, disrupted a previously successful union. For example, the cordwainers and cobblers were particularly strong in early labor union history but as shoe manufacturing developed a national shoe market also developed. Eventually an industrial union resulted.

Workers in branch plants of national companies have been organized

<sup>36</sup> Reder, op. cit., pp. 74-75. The Anthracite Strike of 1902, on the other hand, was eventually settled on terms favorable to the union due to this same outside pressure generated by a general economic disruption, even though the economic disruption may have been more a matter of popular opinion than fact. Robert H. Wiebe, "The Anthracite Strike of 1902: A Record of Confusion," The Mississippi Valley Historical Review (September, 1961), pp. 229-251.

<sup>37</sup> Although the same skills are required for book and job printing as are needed for newspaper printing, a national market is involved. As a result, plants in these areas of the industry were not organized as soon or as rapidly as the newspaper plants. Furthermore, as the current Kingsport, Tenn., Press strike shows, regional wage differentials can still have a substantial impact upon a competitive industry with a national market. Reder, op. cit., pp. 46-47, Michael G. Gartner, "The Kingsport Strike," The Wall Street Journal, April 22, 1964, p. 14.





in the southern states. The process has not always been automatic, as shown by the rubber workers' eight year struggle to organize the Gadsden, Alabama, Goodyear plant. On the other hand, Birmingham steelworkers were organized with relative ease in 1937 when U. S. Steel signed a national bargaining contract -- even though the Birmingham workers had not participated in the 1919 steel strike. As a result, many unions now emphasize national collective bargaining contracts with national companies in order to avoid possible future problems.<sup>38</sup> For example, such contracts enable unions to negotiate for national rather than local pay scales for southern plants, thus reducing possible adverse effects from the southern wage differential. Furthermore, the immediate benefits resulting from national pay scales and working conditions have retained southern workers in local unions despite direct and emotional policy disagreements with the international union over integration.<sup>39</sup>

The wage economy and impersonal bureaucratic organization that

<sup>38</sup> Although local markets have precluded national newspaper collective bargaining agreements, the existence of newspaper chains has tempted southern printers to try to win their strikes with the aid of northern workers. In August 1961 a Miami, Florida, pressmen's strike against a John S. Knight newspaper failed -- but southern pickets were successfully sent to the Knight newspaper in Detroit. Because the courts ruled the picketing to be a secondary boycott, the effort failed. The eventual development of chain-wide collective bargaining agreements in the newspaper industry remains a possibility. "Exporting a Strike," Time (September 1, 1961), p. 49.

<sup>39</sup> The meat packing union began a drive to eliminate regional wage differential in 1944 and by 1956 had incorporated national wage scales in all union contracts. The steelworkers completed their equalization wage bargaining in 1954. The United Automobile Workers had obtained national wages in all Ford and Chrysler contracts and was negotiating on the subject with General Motors in 1957. Other unions, however, have not been as successful in this field. "Equal Pay for Southerners?" Fortune (January, 1957), pp. 183-186. Bay Marshall, "Union Racial Practices and the Labor Market," Monthly Labor Review (March, 1962), pp. 269-270.





are a necessary part of the environment of a large manufacturing plant facilitate union organization. A large manufacturing plant requires a large working force on a full-time basis. In order to provide the services to support this work force the community must develop a division of labor, which in turn necessitates a wage economy. The basic cause of and justification for labor unions arises from this wage economy where the individual has no real alternative in earning a living.<sup>40</sup> Furthermore, the impersonal bureaucratic organization essential to the successful operation of a large manufacturing plant increases the importance of the working group to the individual and thus develops the cohesiveness necessary for the successful formation of a union. As a result, in large plants the felt marginal utility of any individual worker has facilitated the organization of such plants.

Furthermore, as a substantial proportion of the workers in a community become union members, local customs and personal experience with labor unions assists further union organization. In addition, customer pressure on businesses catering to union members, an essential part of "union label" promotional efforts, also makes further organization in these areas less difficult. Because, as shown in Table V,

<sup>40</sup> Long ago we stated the reason for labor organizations. We said that they were organized out of the necessities of the situation; that a single employee was helpless in dealing with an employer; that he was dependent ordinarily on his daily wage for the maintenance of himself and his family; that if the employer refused to pay him the wages he thought fair, he was nevertheless unable to leave the employ and resist arbitrary and unfair treatment; that union was essential to give laborers opportunity to deal on an equality with their employer..." Supreme Court decision in *N.L.R.B. vs Jones and Laughlin* as quoted in Dulles, *op. cit.*, p. 279.





the southern states are still predominantly rural rather than urban, there have been comparatively few southern "union enclaves" where this multiplier effect could become operative. Gadsden, Alabama; Bogalusa, Louisiana; Laurel, Mississippi; and Richmond, Virginia, are however, examples of existing southern "union enclaves."<sup>41</sup>

#### 4. Areas of Union Failure.

While there have thus been certain economic conditions that have facilitated union organization, there have also been other economic conditions that have hampered organization, producing areas of union failure. Both in the southern states and in the country as a whole there have been three major areas of union failure; (a) rural industrialization, (b) competitive, fragmented industries, and (c) areas of labor surplus.

Insofar as the first area of union failure is concerned, rural industrialization covers plants and mills located outside standard metropolitan statistical areas. Such locations provide substantial advantages to the company. Since underemployment is common in agriculture,

<sup>41</sup>Bloom and Northrup, op. cit., p. 84, "Labor Drives South," Fortune (November, 1946), pp. 134-140, 230-237, The Southern Labor Story, op. cit., p. 5. Another measure of the "union enclave" effect is in politics because union membership increases the political awareness of most workers. According to Key, in 1946-1947 union committees in Mississippi, Alabama, Georgia, and Virginia were advancing funds to union members to pay poll taxes and register as voters. In Georgia the political defeat of a Georgia Representative who had been in Congress for 20 years was attributed to union votes. As a bloc union votes have determined close elections and are a growing political factor in "union enclave" areas. V. O. Key, Jr., Southern Politics in State and Nation (New York: Vintage Books, 1949), pp. 24-25, 32, 56-57, 73, 125-126, 138-139, 480, 657-658.





and since automobiles enable the company to draw workers from a 30 to 40 mile radius, an ample labor supply is available -- and at wage rates comparable to what could be earned in agriculture.<sup>42</sup> On the other hand, total labor costs of necessity must include both the time required to train the unskilled workers available for employment and overall labor productivity.<sup>43</sup> In compensation, however, companies can use labor-saving machinery extensively because there is no existing machinery in a new plant nor can there be a union to object to its installation. In addition, as stated in Chapter II, such plants often occupy facilities provided by the community and are exempted

<sup>42</sup>In 1930 allowing for food raised and consumed on the farm and for other factors of difference, a southern farm family that moved to town improved its economic status if even one member could earn as much as \$20 a week. In 1951 the average annual wage for factory workers in the southern states was 60 percent higher than the average farm income per worker -- and it must be realized that this comparison is to the low southern wage scale rather than the national average for factory workers. Under such conditions the low southern wage does not seem low to the recipient or the community. Marion Hayes, "A Century of Change: Negroes in the U. S. Economy, 1860-1960," Monthly Labor Review (December, 1962), pp. 1359-1365, Stefan H. Robock and John M. Peterson, "Fact and Fiction About Southern Labor," Harvard Business Review (March-April, 1954), pp. 79-88.

<sup>43</sup>Robock and Peterson maintained in 1954 that southern wage costs were comparable to or lower than national wage costs even after allowances were made for the required training time. Now, however, in many instances the training can be accomplished at no cost to the company under the Manpower Development and Training Act or through state vocational training programs. Stefan H. Robock and John M. Peterson, "Facts and Fiction About Southern Labor," Harvard Business Review (March-April, 1954), pp. 79-88, Georgia's Area Vocational-Technical Schools, (Atlanta: Trade and Industrial Educational Service, Vocational Educational Division, State Department of Education, August, 1963), pp. 18-19, Louisiana Invests in Industry, op. cit., pp. 2-3.





from local taxes for several years.<sup>44</sup> While the pattern of rural industrialization thus provides advantages for both the company and the community, union organization is hampered because the labor supply is based on agricultural underemployment rather than a wage economy. As a result, plants located in rural areas have tended to remain non-union.<sup>45</sup> In fact, it is suggested that the low proportion of union members in North Carolina mentioned in Chapter I is due in part to the fact that North Carolina is still a predominately rural state.<sup>46</sup>

Union organization is also hampered in industries where a large number of companies must compete in the national market. When one or a small group of companies dominate the national market, it is possible to organize a substantial portion of the industry as a result of one strike. When many companies, each representing a relatively small

<sup>44</sup> Although the current concessions offered to industry in most southern states are now more carefully reviewed, the original programs passed in the 1930's were subject to many abuses. There are records of total wages of 97 cents for two weeks work while in a "learner" status. Furthermore, money subscribed by the community to construct facilities was deducted from the wages paid to employees, usually at 5 percent of the weekly wage. McGill, op. cit., pp. 193-195.

<sup>45</sup> According to the Director of AFL-CIO Region VIII in 1963:

"While the labor movement welcomes your efforts to bring new jobs to rural areas of the South, we do have one additional concern. This is that nine out of ten plants that have recently been established in the South are non-union, and in fact many of them have moved from other sections of the country where unions are strong." National Sharecroppers Fund Southern Rural Conference, A Better Life for Farm Families, (New York: National Sharecroppers Fund, February, 1963), p. 26.

<sup>46</sup> In 1950 North Carolina was the most industrialized southern state. Yet in that year it only had one city, Charlotte, with a population of over 100,000 -- and, as one North Carolinian is reported to have said, "They only passed the 100,000 mark by counting the Republicans, too." Stefan H. Robock and John M. Peterson, "Facts and Fiction About South-Labor," Harvard Business Review (March-April, 1954), pp. 79-88.





portion of the national market, must be organized separately rather than simultaneously, the competitive effect of union benefits has not only hindered further organizing efforts but has even made maintenance of existing union contracts difficult. For example, as noted earlier the itinerant southern sawmills had remained non-union. But when the pulp and paper industry became economically consolidated it could be and was successfully organized. It is suggested that the consistent failure to organize southern textile workers is due in part to the fragmented nature of the textile industry, with its chronic excess capacity and acute competition. It is further suggested that the success of the International Ladies Garment Workers' Union, in a similarly competitive and fragmented industry, may be due to the "union enclave" multiplier effect in New York City since "runaway" garment factories in Pennsylvania as well as in the southern states have successfully resisted organization.<sup>47</sup>

Finally, a labor surplus has traditionally retarded union organization and growth, even in a wage economy, through operation of the law of supply and demand. As noted earlier, historically labor unions have

<sup>47</sup> Although there are big bituminous coal companies, the industry is still competitive and fragmented. Fifty-seven b.g. firms control 60 percent of coal production. But 40 percent of the coal is produced without royalty payments to the United Mine Workers' Welfare Fund. The Appalachia labor surplus results in non-union wages at these mines of as little as \$4 -- as compared to the union wage of \$24.25 per day in a mechanized mine. Due to this non-union competition, the large mines are being forced to consider terminating their union contracts and at least two companies have already done this. Thus, the competitive, fragmented nature of the bituminous coal industry may again break the mine workers' union. John Ed Pearce, "The Superfluous People of Hazard, Kentucky," The Reporter (January 3, 1963), pp. 33-35.





grown during periods of expansion, when qualified workers became relatively scarce, and have dissolved during periods of depression, when the supply of workers was greater than the demand. The survival of the American Federation of Labor in the depression 1893 and similar subsequent periods, is due to its primary reliance on skilled workers since for such workers neither demand nor supply become an extreme.<sup>48</sup> The tremendous union successes of the 1930's, despite depression and a resulting labor surplus, were primarily due to the active intervention of the federal government. The war, postwar, and Korean war periods were periods of relative labor scarcity and union growth. But the growing labor surplus of the past six years had been predictably accompanied by a decline in national union membership -- in overall totals as well as in proportion of the working force.<sup>49</sup> The traditional southern labor surplus has therefore retarded union organization in the southern states even during periods of national labor shortages.

## 5. Conclusions.

The southern states are a part of the United States and have always been affected by national economic forces. The economic conditions that

<sup>48</sup>Dulles, op. cit., pp. 31-32. Instead of one overall labor market there is often a market for particular skills. As a result, there can be an acute shortage of workers with specific skills in a major labor surplus area. This has been particularly true of underdeveloped countries but the southern states have consistently imported supervisory, technical, and maintenance personnel. Ely M. Brandes, "Manpower Planning and the New Pariahs," The Reporter (March 26, 1964), pp. 17 19.

<sup>49</sup>For the past six years the national unemployment rate has not dropped below 5 percent. With profits and production smashing all records, the unemployment rate is currently 5.5 percent and shows no signs of decreasing. A. H. Raskin, "Mr Meany's Curse," The Reporter (December 5, 1963), pp. 20-22.





have led to labor unions in the country as a whole have also led to the formation of southern labor unions. The economic conditions that have hampered labor union organization in the country as a whole have also hindered the formation of southern labor unions. A review of the areas of union success and failure would indicate that existing southern labor unions would be found in cities, in large plants, in branch plants, and among skilled workers. A study has statistically shown that union plants in the southern states tend to be located in standard metropolitan statistical areas, to belong to a multi-plant company, to be bigger, and to have more employees.<sup>50</sup> In 1952, before the A. F. of L. and C. I. O. had been consolidated, the A. F. of L. claimed five times the C. I. O. southern membership -- which would seem to indicate successful organization of southern skilled workers. It is therefore suggested that the C. I. O statement that "when textiles are organized, the South will be organized"<sup>51</sup> should be amended to read "when the textile industry is consolidated economically, when the South is urbanized, and when the southern labor surplus is reduced -- the South will be organized."

As a result, it may be said that southern workers have consciously elected to be "sinners" for the same reason that their northern counterparts have become union members: to collectively protect their individual

<sup>50</sup> H. Ellsworth Steel and Homer Fisher, Jr., "Study of the Effects of Unionism in Southern Plants," Monthly Labor Review (March, 1962), pp. 258-270.

<sup>51</sup> "Labor Drives South," Fortune (November, 1946), pp. 134-140, 230-237.



interests in a wage economy. Furthermore, the reason why there are comparatively few union members in the southern states is the existence in the southern states of a great number of economic conditions hampering union organization. If and when these economic conditions change, then there will be more southern union members.





## CHAPTER IV

### FORECAST

An attempt has been made to review the economic development of the southern states, with emphasis on the origin of the southern labor surplus, in order to understand the factors militating against the formation of labor unions in the region. An attempt has been made to review the development of labor unions in the southern states in order to understand the factors that have facilitated labor union organization in the region. The purpose of history, however, is not just to gain an understanding of the present, valuable as that may be. The true purpose of history is to gain an appreciation of existing trends and factors through which it may be possible to forecast the future.

With regard to the organization of labor unions in the southern states, it is the contention of this paper that the population of the southern states will continue to increase at a rapid rate. Simultaneously, there will be a major net reduction of jobs in southern agriculture. Furthermore, due to automation existing southern plants will also require fewer workers than are now employed. Since local capital formation still lags behind southern capital requirements, massive investments of outside capital will be required if there is to be sufficient industrialization to preclude a major southern labor surplus. Thus, the future of labor unions in the southern states is basically dependent upon future southern industrialization.

#### 1. Population.

There have been many statements made in this paper concerning the



population increase in the southern states. As shown in Table VI, the population of the southern states has increased by over twenty-five and a quarter million people since 1870. During the same period, as shown in Table VII, there has been a net emigration from the southern states of over five and one-half million people.

This population movement has naturally not affected all southern states in the same way. Florida, for example, has had both a tremendous net population gain and a consistent major net immigration. On the other hand, since 1940 Arkansas has had a net population decrease of 160,000 people -- and has seen 38.7 percent of its 1940 population emigrate from the state. Similarly, Mississippi has gained only 1,000 people since the 1940 census -- and has seen 35.9 per cent of its 1940 population emigrate. Being more industrialized, Alabama has managed to retain a net population increase of 444,000 people since the 1940 census -- but has still had 22.2 percent of its 1940 population leave Alabama.

Since southern white immigrants have tended to be absorbed fairly readily in the general population, the negro population movement provides a more vivid example of this migration from the southern states. As shown in Table VIII, about 90 percent of the negro population lived in the southern states until the first world war. In 1960, after about 40 years of steady emigration, the negro population in the South had remained relatively stationary in total numbers -- but comprised only 60 percent of the whole negro population.<sup>1</sup> In 1980 it is estimated

<sup>1</sup>Marion Hayes, "A Century of Change: Negroes in the U. S. Economy, 1860-1960," Monthly Labor Review (December, 1962), pp. 1359-1365.





TABLE VI

POPULATION GROWTH OF THE SOUTHERN STATES: 1870 TO 1960  
(in thousands)

	<u>1870</u>	<u>1880</u>	<u>1890</u>	<u>1900</u>	<u>1910</u>	<u>1920</u>	<u>1930</u>	<u>1940</u>	<u>1950</u>	<u>1960</u>
Virginia	1,225	1,512	1,655	1,854	2,061	2,309	2,421	2,677	3,318	3,929
North Carolina	1,071	1,399	1,617	1,893	2,206	2,559	2,170	2,571	4,061	4,571
South Carolina	705	995	1,151	1,340	1,515	1,683	1,738	1,899	2,117	2,393
Georgia	1,184	1,542	1,837	2,216	2,609	2,895	2,908	3,123	3,444	3,958
Florida	187	269	391	528	752	968	1,468	1,897	2,771	5,005
Tennessee	1,258	1,542	1,767	2,020	2,184	2,337	2,616	2,915	3,291	3,571
Alabama	996	1,262	1,513	1,828	2,138	2,348	2,646	2,832	3,061	3,276
Mississippi	827	1,131	1,289	1,551	1,797	1,790	2,009	2,183	2,178	2,184
Arkansas	484	802	1,128	1,311	1,574	1,752	1,854	1,949	1,909	1,789
Louisiana	726	939	1,118	1,381	1,656	1,798	2,101	2,363	2,683	3,259
Southern States Total*	8,668	11,398	13,471	15,926	18,495	20,443	22,936	25,416	28,838	33,935
U.S. Total	39,818	50,262	23,056	76,094	92,407	106,466	123,188	132,122	151,683	179,983

\*May not add to totals due to rounding

SOURCES: U. S. Bureau of the Census, Historical Statistics of the United States, Colonial Times to 1957, Washington, D. C., 1960. Series A 123-180, p. 12 and Series A 1-3 p. 7.U. S. Bureau of the Census, Statistical Abstract of the United States: 1963. (Eighty-fourth edition), Washington: Government Printing Office, 1963. Table No. 6, p. 9.



TABLE VII

ESTIMATED NET INTERCENSAL MIGRATION  
(in thousands)

	1950 to 1960	1940 to 1950	1930 to 1940	1920 to 1930	1910 to 1920	1900 to 1910	1890 to 1900	1880 to 1890	1870 to 1880
Virginia	14.0	152.0	0.2	-231.6	-27.7	-73.7	-91.5	-80.9	-51.1
North Carolina	-328.0	-202.8	-85.4	-7.9	-74.3	-80.4	-88.8	-57.7	-14.4
South Carolina	-222.0	-172.4	-102.5	-256.9	-80.9	-80.6	-75.5	-35.9	-25.7
Georgia	-213.0	-224.3	-134.1	-414.9	-98.1	-41.7	-56.1	-19.5	-40.0
Florida	1,617.0	510.9	280.3	297.6	101.6	103.5	36.9	51.1	12.1
Tennessee	-273.0	-102.8	-14.9	-113.8	-131.2	-156.9	-95.4	-77.7	-91.8
Alabama	-368.0	-271.0	-165.3	-149.2	-113.9	-47.8	-40.4	-11.5	-60.7
Mississippi	-433.0	-349.9	-90.3	-101.6	-199.3	-46.4	-44.5	-60.6	-5.6
Arkansas	-433.0	-320.4	-128.8	-191.3	-74.7	-27.2	-82.8	75.1	84.0
Louisiana	-50.0	-112.1	5.7	-23.2	-64.7	10.6	1.4	-3.0	-12.0
Net Population Loss	-689.0	-1,134.8	-435.1	-1,192.9	-763.2	-440.6	-536.7	-220.6	-154.2

SOURCES: U. S. Bureau of the Census, Historical Statistics of the United States, Colonial Times to 1957, Washington, D. C., 1960. Series C 25-73.  
U. S. Bureau of the Census, Statistical Abstract of the United States: 1963 (Eighty-fourth edition), Washington, D. C., 1963. Table No. 35, p. 39.





TABLE VIII  
PERCENTAGE DISTRIBUTION NEGROES BY REGION

1860 - 1960

<u>YEAR</u>	<u>NORTH</u> <sup>1</sup>	<u>SOUTH</u> <sup>2</sup>	<u>WEST</u> <sup>3</sup>
1860	7.7	92.2	0.1
1870	88.4	91.0	.1
1880	9.3	90.5	.2
1890	9.4	90.3	.3
1900	10.0	89.7	.3
1910	10.5	89.0	.5
1920	14.1	85.1	.8
1930	20.3	78.7	1.0
1940	21.7	77.0	1.3
1950	28.2	68.0	3.8
1960	34.3	60.0	5.7

1980 - 2000\*

1980	----	40.0	----
2000	46.0 - 59.0	15.0 - 28.0	26.0

1. NORTH: Me., N.H., Vt., Mass., R.I., Conn., N.Y., N.J., Pa., Pa., Ohio, Ind., Ill., Mich., Wisc., Minn., Iowa, Mo., N.D., S.D., Neb., Kan.
2. SOUTH: Del., Md., Va., W. Va., N.D., S.D., Ga., Fla., Ky., Tenn., Ala., Miss., Ark., La., Okla., Texas, D.C.
3. WEST: Mont., Idaho, Wyo., Colo., N.M., Ariz., Utah, Nev., Wash., Ore., Calif.

\* SOURCE: Marlon Hayes, "A Century of Change: Negroes in the U. S. Economy, 1860-1960," Monthly Labor Review, (December, 1962), pp. 1359-1365.

\*SOURCE: "Negroes on the Move - Where They Settle," U.S. News and World Report, (April 26, 1964), p. 36.



that the negro population will have increased from the present twenty million to almost thirty million -- but that only 40 per cent, or approximately the same total number, will live in the southern states. By 2000 it is anticipated that only from 15 percent to 28 percent of the negro population will remain in the South.<sup>2</sup>

The southern states have thus been a resource area insofar as population is concerned. Yet despite this massive migration the South has remained a labor surplus area -- as demonstrated by the continuing low southern wage scale. Any depression or downturn in the national economy will therefore not only have an immediate effect on the southern states but the initial effect will be amplified tremendously by the results of a reduction in migration. Of all regions in the country, the South thus has the most direct interest in maintaining national economic growth.

## 2. Agriculture.

Just as the southern labor surplus has in the past been directly related to southern agricultural developments, so will current changes in the agricultural economy of the southern states affect the future labor supply.

Southern agriculture is now going through the same revolution that is affecting American agriculture as a whole. In 1910 a farm worker

<sup>2</sup>"Negroes on the Move - Where They Settle," U. S. News and World Report (April 27, 1964), p. 36. The negro migration is now considered a mixed blessing by southern businessmen. In addition to the loss of potential negro buying power, one of the most effective inducements in obtaining new industry has been the southern labor surplus and the resulting minimum-cost labor. "Despite Tension, the South Keeps on Gaining," Business Week (October 26, 1957), pp. 99-111.





produced enough food and fiber for seven people. In 1960, despite a substantial increase in per capita consumption, each farm worker produced enough goods to meet the needs of 24 people. Between 1950 and 1960 farm output rose 85 percent -- and the number of farms dropped from 5.4 million to 3.7 million. Nearly one-third of the people who were farmers in 1950 no longer make their living as farm operators.<sup>3</sup>

Southern agriculture has been burdened, as a result of the southern labor surplus, by a high proportion of marginal farmers, tenants, and sharecroppers. For example, in 1949 the South had 71 percent of all farm families with cash incomes from all sources of less than \$1,000.<sup>4</sup> In 1959 in Mississippi County, Arkansas, there were 1,578 farms which each had an average estimated cotton sale for the year of \$1,275.<sup>5</sup>

After the Civil War the definition of a one family farm in the southern states was 40 acres and one mule. Today the national definition of a one family farm is sufficient land and machinery to provide gross annual sales of \$13,400 in order to obtain an income of \$2,500. In order to reach this desirable situation where commercial farming would provide a "living wage" for its operator, farms must become larger, must have a larger capital investment in land, machinery,

<sup>3</sup>Agribusiness and Its Workers, (New York: National Advisory Committee on Farm Labor, October, 1963), pp. 11-13.

<sup>4</sup>William H. Nicholls, Southern Tradition and Regional Progress (Chapel Hill, North Carolina: University of North Carolina Press, 1960), p. 11.

<sup>5</sup>Agribusiness and Its Workers, op. cit., pp. 22-24.



and facilities, and must have access to more credit and services.<sup>6</sup>

Whether or not this definition of a family gainfully and productively employed is ever attained, southern agriculture is changing. Cattle and forestry are supplementing the traditional crops. Large corporation farms are appearing because they are economically sound and profitable. And, as a result of these changes, fewer workers will be required in agriculture.<sup>7</sup> It has been estimated that between 6 and 7 million persons who are now farming will be forced to obtain another occupation during the 1960's -- and that over one-half of these people will come from farms in the southern states.<sup>8</sup>

### 3. Automation.

At the same time that farm mechanization and crop diversification has reduced the number of people employed in agriculture while simultaneously increasing output, automation has similarly reduced the number of people employed in many industries while also increasing output. For example, 160,000 miners now produce as much coal as 700,000 miners

<sup>6</sup> Ibid., p. 13. Nicholls, op. cit., pp. 11-15, A Better Life for Farm Families, op. cit., pp. 17-20.

<sup>7</sup> The conversion of land from cotton sharecropping to mechanized agriculture, cattle, or tree farming obviously involves eviction of the current tenants. When the wartime labor shortage reduced the number of sharecroppers, many landowners tore down the empty cabins to preclude moral pressure to return to the less profitable system. The current comments regarding Mrs. Lyndon B. Johnson's Alabama tenants on property being converted to tree farming is another instance of the difficulty with which such changes are made. Nicholls, op. cit., p. 67, "A New Political Issue: Mrs. LBJ's Property," U. S. News and World Report (May 25, 1964), p. 12.

<sup>8</sup> A Better Life for Farm Families, op. cit., pp. 17-18.





produced 25 years ago.<sup>9</sup> In 1963 there were 123,000 fewer workers in basic steel manufacturing than there were in 1957.<sup>10</sup> Between 1953 and 1962, 500,000 fewer people were employed by the railroads and factory production and maintenance jobs declined by 1,600,000 workers.<sup>11</sup>

It can only be expected that this trend toward automation, with its corollary technological unemployment, will continue. According to a Department of Labor forecast.<sup>12</sup>

---"Further mechanization of underground coal mining is expected to reduce labor requirements despite expected output growth."

---"A wide range of technological improvements in the steel industry is expected to hold down increases in employment despite an expected growth in output."

---"In lumber and wood products, a continued employment decline is expected alongside improvements in logging and sawmill equipment."

---"In textiles, modernization is expected to result in continued employment decline."

---"Decline in petroleum refinery employment may continue with greater

<sup>9</sup> John Ed Pearce, "The Superfluous People of Hazard, Kentucky," The Reporter (January 3, 1963), pp. 33-35.

<sup>10</sup> Most of these workers have been casualties of technological change which includes closing obsolete plants as well as erections of new mills where computer processes replace work crews. David J. McDonald, "Automation and Full Employment," Vital Speeches of the Day (April 15, 1964), pp. 409-412.

<sup>11</sup> "America's Second Industrial Revolution," The New York Times, Section 11, November 17, 1963. pp. 8-9.

<sup>12</sup> "U. S. Job Outlook for Year 1970," U. S. News and World Report, (April 27, 1964), p. 102, Robert B. Cooney "Automation: The Impact on Jobs and People," AFL-CIO American Federationist, (May, 1964), pp. 3-8.



automation, despite anticipated increases in output."

---"Advancing railroad technology is expected to contribute to further decline in employment, despite improved outlook for traffic."

---"In rubber, modernization may offset output increase with reduced employment."

Another Department of Labor study reported that if the output per production worker man hour in the pulp and paper industry continues to increase at the same rate, "the 1965 output could be achieved by the 1960 work force while a decline in work force is possible with further mechanization."<sup>13</sup>

While these trends and statistics cover the national effects of automation, it would be most unrealistic to assume that those portions of each industry located in the southern states have not been affected. Accordingly, due to automation, existing southern plants will also require fewer workers than are now being employed.

#### 4. Capital Formation.

Thus, despite a continuing massive emigration from the southern states, the natural increase in population characteristics of what is still a predominately agricultural economy, plus a major reduction in requirements for farm workers and a static or decreasing demand for industrial workers will of necessity produce a southern labor surplus. The only possibility of even ameliorating this labor surplus is to accelerate southern industrialization.

<sup>13</sup>"Impact of Automation in the Pulp and Paper Industry, 1947-1960," Monthly Labor Review, (October, 1962), pp. 1114-1119.





If the southern states are to achieve an adequate industrial development of their raw material resources, a major capital investment will be required. Yet the South is still basically dependent on outside capital to finance new plants and machinery.<sup>14</sup> According to a survey made of new plants located in Virginia between 1950 and 1962, the majority of new plants employment has come from branches or subsidiaries of national corporations and local ownership has predominated only in the very small plants employing less than 50 workers. Furthermore, with the one exception of the apparel industry, new plants have consisted of branches of national corporations expanding production rather than relocations of existing plants.<sup>15</sup>

Since many southerners, particularly in those states most subject to emigration, are aware of the need for industrialization, determined efforts are being made to induce plants to locate in southern states.<sup>16</sup>

<sup>14</sup>Clark, op. cit., pp. 276-277. It has been previously noted that the only part of the entire post-Civil War southern industrialization that was financed to any great extent by southern capital was the cotton mill crusade. It may, perhaps, be coincidental but the emotional fervor of that crusade and the cause of southern industrialization in general seemed to wane at the same time that the Populist movement dissolved and large numbers of southern voters were disenfranchized. Nicholls, op. cit., pp. 24-27.

<sup>15</sup>John L. Knapp, "New Plants in Virginia," The Virginia Economic Review, (September, 1963), pp. 1-7.

<sup>16</sup>"Smooth-talking local citizens who go dashing about the country with briefcases crammed with local statistics and descriptive matter designed to attract manufacturers are the modern southern evangelists. They represent Chambers of Commerce, state industrial board, and towns and cities...At home, speakers described to women's service clubs the glories of coming industries." Clark, op. cit., pp. 111-112.



Yet there seems to be little emphasis on the need for accumulating local capital to organize local industries and little thought given to the possibility of undertaking another bootstrap campaign. As a result, the South has not as yet generated a self-sustaining industrial chain reaction. Until this is accomplished -- or unless for some most unforeseen reason an actual national labor shortage occurs -- the traditional southern labor surplus will continue.

## 5. Conclusion.

In reviewing the development of southern labor unions it is necessary to maintain a perspective. If barbed wire and barricades and armed guards and machine guns were used by southern textile mills in 1934 -- the little Steel strike of 1937 was equally armed, bitter, violent and bloody.<sup>17</sup> If rubber union organizers were attacked by thugs in Gadsden, Alabama -- in Jackson, Michigan, another rubber organizer was dumped from a car and left for dead.<sup>18</sup> If a stubborn owner broke a union in a two and half year, bitter, violent strike in Henderson, N. C., -- only hatred remains from the equally long and violent Kohler strike in Wisconsin.<sup>19</sup> If southern communities thought that

<sup>17</sup>The steel companies employed Pinkerton detectives as industrial spies, guards, and strikebreakers. They were the largest purchasers of tear gas, rifles, shotguns, and revolvers in the United States. Pickets were attacked, strike leaders arrested, and in the "Memorial Day Massacre" alone ten strikers were killed and over one hundred injured. Dulles, op. cit., pp. 277-278, 301-302.

<sup>18</sup>Twenty-five Years of the URW, op. cit., pp. 22-23.

<sup>19</sup>Douglass Cater "Labor's Long Trial in Henderson, N. C.," "The Reporter, (September 14, 1961), pp. 36-40. Jack Barbash, Unions and Union Leadership, (New York: Harper and Brothers, 1959), pp. 270-276.





union members were atheists, communists, and traitors to the South -- the Mohawk valley formula won public support "by branding union leaders as subversive and threatening to remove the affected industry from the community if local business interests stood by and allowed radical agitators to win control over workers otherwise ready and anxious to cooperate with their employers."<sup>20</sup>

This perspective is not intended to imply that the task of organizing southern unions has been easy but rather that organizing any union has been fairly difficult. It does mean, however, that factors such as public opinion and stubborn, individualistic management can and have been overcome at least in those areas and at such times as economic conditions have proved union organization. But when economic conditions have militated against union organization trade union membership has inevitably dwindled.

It has been the consistent contention of this paper that the proximate cause of the failure of unions to organize a higher proportion of southern workers has been the traditional and persistent southern labor surplus. Only the active intervention of the federal government has in the past enabled unions to grow during a period of labor surplus. Without such intervention, or even with just the passive support of the federal government, it is probable that labor unions will continue to

<sup>20</sup> Originated by Remington Rand and promoted by the National Association of Manufacturers, the Mohawk Valley formula not only provided for denouncing union organizers but also for using local police to break up union meetings, for obtaining strikebreakers, and for establishing community vigilante committees. Dulles, op. cit., p. 278.



dwindle for the high unemployment rate of the past six years can only indicate a current national labor surplus, at least a part of which has been exported from the southern states. Therefore, as in the past, it is probable that the labor movement will survive the present period of labor shortage only by limiting itself to representing the "aristocracy of labor" at the possible expense of unskilled workers in the country as a whole as well as in the South.<sup>21</sup>

In the final analysis, therefore, the future of the labor movement depends directly upon the future growth and continuing industrialization of the national economy. If this growth lags, a major national labor surplus will result -- and conditions in the southern states will be particularly difficult. If the national economic growth is sufficient only to keep pace with the growth of the labor force in other areas, the southern states will retain their "colonial" economy and the arrival of the New South will be postponed again. If the national economic growth is sufficient to develop southern resources adequately the South will have a strong union movement on a par with the country as a whole. Thus, the southern states will continue to represent for organized labor both one of its areas of greatest opportunity -- and one of its greatest problems.

<sup>21</sup>In an industry with rapidly contracting total labor requirements, a union could not survive if it did not exert every effort to protect its present members at the expense of those waiting to be hired. Yet by so doing it becomes a defender of the "haves," a protector of vested interests in existing job rights, and in the process loses its status as spokesman for all workers. A. H. Raskin, "Mr. Meany's Curse," The Reporter, (December 5, 1963), pp. 20-22.





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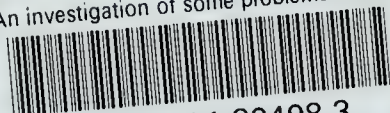






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